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JULY 15, 1932

**The Magazine for  
MARKETING EXECUTIVES**

**MANAGEMENT**

**How to Commit Suicide  
by Cutting Prices . . .**

**Philip Wrigley Carries  
On—An Interview by  
Lester B. Colby . . .**

**Listerine's Experience  
with a Gang of Brand  
Counterfeiters . . .**

TWENTY CENTS

# "The Gallup report substantiates CONRAD'S opinion of Liberty"... says

**CHARLES M. PRITZKER**  
Vice President  
Conrad Razor Blade Co., Inc.



CHARLES M. PRITZKER, Vice President  
Conrad Razor Blade Co., Inc.

"**M**EDIA plays an important part in the successful marketing of a commodity of long standing, but even more so when called upon to introduce a new item," writes Mr. Pritzker.

"We are pleased to use Liberty to lead off our advertising on Conrad Blades, as we do so with a full knowledge of what it has accomplished in the past, and what it can in the future.

"The Gallup report substantiates and backs up the writer's personal opinion of 'America's Best Read Weekly'—Liberty Magazine."

★

★

★

WITH years of experience in the advertising and selling of razor blades behind it, Mr. Pritzker's opinion is one worth pondering. The Gallup Reports did not make Liberty good. They merely proved in a vivid way the worth of Liberty's fundamentals.

When Dr. Gallup and his assistants rang doorbells in six cities last summer, they found that from 6% to 41% more people read the average story or article in Liberty than in the other weeklies.

And the advantage of open make-up added to increased editorial interest brought attention given the average page advertisement in Liberty to

48% more than in Weekly A  
23% more than in Weekly B  
112% more than in Weekly C

## Re-Proving Gallup

Liberty believed that Advertising was aware of its need for more facts concerning media and copy. The immediate and growing enthusiasm of advertising executives toward the Gallup Surveys affirmed this belief. Arose, then, an idea: "Why not a continuous Gallup-type survey? Why not a check every week of what is actually happening, in terms of reader attention, to advertisements in the great mass weeklies?"

Percival White, Inc., was sent into the field. Trials were made to determine the possibility of weekly surveys, using the Gallup method. And as a



One of the first Conrad Ads. Now running in Liberty

result, figures are now available showing the attention and reader interest accorded every advertisement (quarter-page or larger) that appeared in May or June issues of Liberty, Collier's, or Saturday Evening Post. And the comparative reader interest given the average page ad in each of these weeklies.

Although these surveys are made by a different organization, in different cities, under different conditions of time and weather, the results confirm the Gallup findings closely.

For the cities studied to date, the average page ad in Liberty was found to be noted by

43% more people than in Weekly A  
14% more people than in Weekly B

★

Advertisers without Mr. Pritzker's personal knowledge of what Liberty has accomplished for them in the past are realizing, as they study the Gallup and Percival White figures, that Liberty can make more sales for them because its greater attention value means more real circulation.

If you are a national advertiser or executive in an advertising agency, you will find the Gallup Surveys well worth your attention. Write the Liberty Research Department, 420 Lexington Avenue, New York, for your copy.

And if your advertisements are currently appearing in the three major weeklies, we have your ratings, ready to send at your request!

# Liberty ... America's BEST READ Weekly

# Advertising Men!

**You've said it:—**

**"MAIL THE COUPON!"**

We have an advertising medium that gives *complete* coverage of your *buying* public. You can use it on one city, one geographic area or throughout the entire national market. You can buy it by the thousand or by the million—and pay for only what you use. It cashes in on all other forms of advertising or does the selling job single-handed.

It wastes no time or effort on people who are not your prospects but says the last word to those who are.

It secures maximum co-operation from the dealer because it sells your merchandise to his customers. And it costs him nothing.



## POINT-OF-SALE DISPLAYS and Merchandising Devices

### Some National Users of BRUNHOFF Point-of-Sale Advertising

American Cigar Company  
Bayuk Cigars, Inc.  
Brown & Williamson Tob. Corp.  
Coca-Cola Company  
Curtiss Candy Company  
Cracker-Jack Company  
Foy Paint Company  
Garcia Grande Cigars  
General Cigar Company  
Gruen Watches  
Havatampa Cigar Company  
Hollingsworth Candies  
International Harvester Co.  
International Tailoring Co.  
J. C. Penney Co.  
J. C. Pushee & Son  
King Edward Cigars  
P. Lorillard Co.  
Sears, Roebuck & Co.  
Standard Brands  
Westinghouse Lamp Company  
Wooster Brushes

For forty years Brunhoff Point-of-Sale Advertising has been moving the products of America's leading merchandisers from the shelves of dealers to the hands of users.

It is selling some of these products to your family every day. It will sell your merchandise to others.

These are the days when advertisements, like salesmen, must stand or fall on their ability to sell goods at a profit. On this basis our medium *stands*.

It is so flexible and so inexpensive that you can prove its value by a "test campaign" in any market you may select.

Tell us what you manufacture and where it is for sale. We will show you how our medium will step up your sales and pay as it goes.

To quote your own formula: "Mail the Coupon."

### THE BRUNHOFF MANUFACTURING CO.

York and Freeman Avenue, Cincinnati, Ohio

Tell us how your medium will increase the sales of

Product .....

Sold through (number and kind of stores) .....

What will it cost? .....

Name of individual ..... Firm .....

Address .....



## are YOU in the Newark market?

If you are not, you should be. If you are, you are smart; because even in 1932 business is good in this thriving North Jersey metropolis and industrial center.

Latest Federal Reserve statistics compiled in terms of bank debits show business in Newark to be 77.5% of normal. This is 35% above the average for the entire country. The comparison is based on a three-year average, 1926-28.

The people who do the spending in Newark are the people who read the **NEWARK EVENING NEWS**. It commands the reader attention of practically every English-speaking family. Its advertising columns influence their buying habits. Put that influence to work for you. Right now there's business in Newark for you if you'll go after it.

### Newark Evening News

EUGENE W. FARRELL  
Business & Advertising Mgr.  
215-221 Market Street  
Newark, New Jersey  
O'MARA & ORMSBEE  
General Representatives  
New York Chicago Detroit  
Los Angeles San Francisco

## Survey of Surveys

BY WALTER MANN

### Twelve Years of Consumer Expenditure

*Complete Picture of Ultimate Consumer Market.* Dr. Virgil Jordan's study of consumer expenditures made for and now being published by the *Business Week* (which should have been mentioned a month ago) shows essentially how much money has been spent in recent years by all the individual consumers in the United States for every kind of goods and services. It provides, therefore, a complete picture of the ultimate consumer market in the United States for everything which the American people buy as individuals.

For many years there have been available fairly complete estimates of the total amount of money which all the individuals in the United States earn every year. This is, however, (Dr. Jordan says) the first comprehensive accurate estimate of consumer expenditures ever made for this or any other country covering all kinds of goods and services over a long period of years.

There have been occasional scattered estimates of the amount of money spent by the American people for the most important kinds of goods they buy, such as food and clothing, and for certain special kinds of services. These estimates have made no attempt to be complete as regards the total living expenses of the American people, and they have been made for only single years, most of them considerably out of date. Many special studies of the cost of living or family budgets of special classes of people in particular localities have been made, but this is the first attempt to secure a complete picture of the individual expenditures of all classes for the country as a whole, covering a long period of time.

Roughly, about a thousand separate and distinct items of individual expenditure have been covered.

The estimates are presented for each year from 1919 to 1931.

The estimates are doubtlessly as accurate as is reasonably possible considering the vast scope and complexity of the study. Every possible source of material (says Dr. Jordan) has been used and every conceivable method of cross checking estimates has been employed. The main data sources are, of course, the Census of Manufactures and the special trade organizations in every field, which have been consulted as regards the volume of sales of the particular items, retail markups, etc., and these organizations have been asked to check all estimates. Some of the estimates have had to be worked out by very elaborate and indirect methods, but the margin of error in the study as a whole and in most of the items should not be large.

The results of this study should be sharply distinguished from the results of the Census of Distribution for 1929 made by the Department of Commerce. The latter, covering only a single year, is assumed by many business men to be a com-

plete census of retail sales, but clearly it is not. It is a census of sales of general classes of goods by certain types of retail stores in communities of certain sizes. The actual census covered only sales of stores in trading centers of 10,000 or more population. From this, an estimate was made of the sales of goods by stores for the country as a whole.

The purpose of the Census of Distribution was essentially to show the sales of certain types of stores, not the amount of money spent by consumers. It covered only commodities sold by these stores and not the expenditures of consumers for these commodities and for other commodities as well as services. In consequence, the estimate of retail sales for the country as a whole made by the Census of Distribution for 1929, about 50 billion dollars, is only about half as large as Dr. Jordan's estimate of the total expenditures of consumers in that year.

The series of articles now appearing in *Business Week* depicting this study is of most immediate and practical importance to business men in that it indicates, first, the actual size of the market for specific goods and services and, second, the important changes that have taken place over a period of years in the proportion of the consumer's dollar that is going for particular kinds of goods and services. The significant shifts in the way the American consumer is spending his money for different things will be clearly revealed through this study.

More and more business men are coming to appreciate the value of such data in making intelligent marketing plans. The man who closes his eyes to such information and guesses his way along deserves the tough treatment that is almost inevitably his.

Those who are interested in such data should by all means see *Business Week* weekly, at least during the period in which these data are being reproduced.



Pirie MacDonald  
Walter Mann

### Thumbnail Review

*Increasing the Load.* Second edition of a 160 page, 8 1/2 x 11" board-covered book visualizing the growth of the use of electricity and consequently the market for electrical household equipment. A detailed listing of the 4,290 cities and towns in which Central Station stores are located and the number of domestic lighting customers in each—plus a lighting customer record for 5,086 other cities and towns in which utility companies maintain no stores. All data also broken down on a county basis. Invaluable and available. Write John C. Sterling, Vice-President, The McCall Company, 230 Park Avenue, New York.



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# SALES *management*

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## Contents

### Direct Mail

Adjusting the Direct Mail Budget to 3-Cent Postage ..... 64  
*By Maxwell Droke*

### General

Listerine Trails and Nabs a Gang of Counterfeiters ..... 60  
*By Herschel Deutsch*  
Significant Trends ..... 53

### Management

How to Commit Suicide by Cutting Prices ..... 55  
*Based on an interview by Herbert Kerkow with*  
*Edmond S. LaRose, Assistant Comptroller, Bausch & Lomb Optical Company,*  
*Rochester, New York*

### Markets

The Foreign Language Field—a Big Problem and Prospect ..... 62  
*By Lawrence M. Hughes*

### Operating Salesmen

Wanted: Special-Rate Railroad Mileage Books for Salesmen ..... 66

### Product Design

Coopers Glorify the Sweatshirt—and Glory in Turnover ..... 70

### Sales Policy

Fly Blind and Trust to Luck?—Or Know Your Own Course?..... 61  
"Promotional Selectivity" Keeps Spud up in a Declining Market.... 68  
*By Michael Stephens*  
Selling Spirit Undaunted, Wrigley Marches On ..... 58  
*An interview with Philip K. Wrigley, by Lester B. Colby*

### Departments and Services

Comment ..... 78  
Media and Agencies ..... 80  
Survey of Surveys ..... 46  
The Postman Whistles ..... 50  
Tips ..... 84

# The Postman Whistles

## More Diamonds in the Ash Heap

ENCLOSED is 25 cents in cash to cover the cost of one dozen reprints of page 285 in the June 15 issue of SALES MANAGEMENT. This reprint is headed "Diamonds In Your Own Back Yard."

This article "hits the nail on the head." While I am handing it out to our entire sales force, I am doing so with the idea that it will do all of them some good, but in particular that it will—or I hope it will—impress several men who are traveling entirely too fast.

I just returned from seven working days with one of our men in central Oregon. I was convinced before I made the trip that he was skimming the territory. We met and had breakfast together and I listened patiently without much comment to his version of the territory and the uselessness of working certain portions of it.

The first day I let him work in his own way. The second day I started to demonstrate my own particular ideas on the time to take with an account, so as properly to show our line and explain it.

On the third day I took charge of the selling myself, with the result that we called on only six accounts in three different small towns—getting to work about 8:30 in the morning and finishing up at twenty minutes after seven at night, and spending about two hours of that time in driving between towns.

However, these six accounts all bought goods, one man placing a spot order and a future order. In other words, we sold seven orders to six accounts.

The next day we called on seven accounts and sold six of them. The following day we called on five accounts and sold four of them, all in territory which this salesman had explained to me was not worth working.

Our orders ran about 50 per cent larger than his average orders and the day's sales were about double his usual sales.

I found that this man got nervous over business conditions, and in a nervous state of mind thought that he must travel fast, work fast and hit only the better accounts in the bigger towns. Such a procedure always leads to a man's gradually being pinched out of a territory.

I have before me the report of another man who, in the past three weeks, has reported exactly 74 calls each week, which in itself looks "fishy." During the first week he sold 15 out of 74. The second week he sold 11 out of 74. The third week he sold 13 out of 74. His average mileage has been 514 miles a week.

Now, you can see why I am interested in this article, "Diamonds In Your Own Back Yard." The faster a man works, the more mileage he burns up, the more expensive it is to make his territory, and the less business he obtains. I am in hopes that this article will impress all men with the necessity of thoroughly working the territory, and some of them in particular, with the thought that they are passing up business which is right under their nose.

ROBERT R. MCKEAN, Sales Manager,  
Knight Packing Company,  
Portland, Oregon.

(Reader McKean's story is curiously like that of Reader McDougall, whose remarks were printed in SALES MANAGEMENT for July 1 under the head, "You Win, Mr. Willman—Salesmen Have Gone Soft!" Both men found that their salesmen were neglecting good prospects, passing up small orders, and letting bigger orders walk right off to competition—mostly because of their low morale and their conviction that there isn't any business anywhere, so why try to find any?—THE EDITORS.)

## Bright Spots and Bank Debits

YOUR interesting feature, "Bright Spot Cities," has shown Camden to be rather outstanding in the percentage of normal bank debits. The proper interpretation of "bank debits" has us somewhat puzzled. Almost every executive in our organization, including our auditor, has a different version of just what you mean. Will you kindly give us an explanation so that we can put it in laymen's language and thus make most effective use of this valuable data.

FRANK J. KINSELLA, Advertising Director,  
Courier-Post Newspapers,  
Camden, New Jersey.

(The easiest to understand definition of bank debits is the one used by Federal Reserve Banks and is as follows: "The money volume of checks debited by banks to customers' accounts.")

Some of the misunderstanding as to just what bank debits are is caused by the simultaneous publication of statements of bank clearings and also of bank debits. Bank clearings represent the money volume of checks which clear through clearing houses in those cities large enough to have such an organization and, while they are accurate insofar as they go, they do not account for those many checks which do not get into a clearing house.

It is estimated that approximately 90 per cent of all business transactions are settled by check and bank debits may therefore be accepted as a record of 90 per cent of all commercial transactions.—THE EDITORS.)

## Profits at the Soda Fountain

IN reading your story on the findings of the recent "7 Out of 10" book published by the Coca-Cola Company, I noticed what to us is a rather serious error either in your interpretation of the figures or in your reading of them.

On page 268 of your June 1 issue you say: "The ten years' average net profit at the soda fountain amounts to 3.7 per cent of the original investment in soda fountain equipment."

I think in this you must refer to the fact that the Coca-Cola survey disclosed that the net profit at the soda fountain paid for the equipment 3.7 times in a period of ten years. Your statement to be correct would therefore have to read "370 per cent of the original investment."

We have been very much interested in this book during the time that it was in preparation and are now cooperating in the distribution of the information it contains. Therefore you will pardon my correction of your figures which, while perhaps unimportant in some publications, might be misread to quite an extent in your own excellent publication.

You see the soda fountain business is one of the life savers of drug stores and many restaurant businesses today and we hate to see its net profit divided by 100.

Best regards and I hope this will prove we read your magazine.

LOUIS W. BURGESS, Sales Promotion,  
The Liquid Carbonic Corporation,  
Chicago.

(Far be it from us to belittle the cheerful facts, Mr. Burgess. Apologies for our typographical error.—THE EDITORS.)

## A Prodigal Subscriber Comes Home

SOME time ago I resolved to stop writing letters on matters other than business because of the fact that rarely is anything accomplished. In reading Maxwell Droke's little article in a recent issue of your publication, entitled, "Contagious, and Usually Fatal," I felt an urge come over me which I could not resist. I agree with Mr. Droke's expression so thoroughly, particularly the last paragraph of his article, that I instructed the young lady with whom I usually place magazine subscriptions to renew my subscription to SALES MANAGEMENT Magazine in spite of the fact that about a month ago I decided to cut this one off my list because I find it possible to read the copy received by a friend of mine. It seems to me that when a publication utters philosophy such as Mr. Droke's happened to be in this particular case, said publication deserves support.

F. G. VOLZ, President,  
Champion Sales Company,  
Philadelphia, Pennsylvania.

(The irresistible last paragraph: (June 15 SM, "Sales Letters") "Somehow or other, we must get over this cockeyed notion that nothing, multiplied by a million, mysteriously becomes a hell of a lot of money." Subscriber Volz's renewal is hereby welcomed.—THE EDITORS.)

YOUR effort to furnish practical ideas and plans in sales work is exactly the material we need today.

C. E. RIEHLE,  
Shelby Salesbook Company,  
Shelby, Ohio.

# Significant Trends

As seen by the editors of *Sales Management* for the fortnight ending July 15, 1932:

• • • It wasn't such a bad fortnight. Wholesale commodity prices turned up for the first time in ten weeks, steel prices were firm, automobile production held close to the high levels of the year, bank clearings increased, liabilities involved in commercial failures declined, and the Lausanne conference came to a more or less successful termination.

• • • Against these encouraging factors are arrayed further decreases in freight car loadings, a decline in steel output to 12 per cent of capacity, an apparent increase in the hoarding of currency, an increase in the number of failures.

• • • Is the farmer coming back? He is—riding on a hog—so they are saying in the Middle West. On June 8 hogs were selling at \$2.90 a hundredweight. On July 8 the price was \$5.50. A month ago cattle brought \$6.75. Now they bring around \$9.00.

• • • The increase seems due to a combination of economic laws and careful planning. Low prices had discouraged farmers from sending their stock to market. The packers did all in their power to keep receipts of stock light and to demand the highest quality. The livestock market closed its futures market so that it would be impossible to demoralize the market artificially.

• • • Advancing quotations for livestock usually bring similar rises in corn and wheat prices. The fact that the Farm Board is no longer buying wheat and that it has sold or given away most of its stocks is encouraging to those who want higher prices.

• • • It is generally agreed that the purchases of the Farm Board have been wasteful, but out of the mistake has come a new market for wheat. We gave the Chinese famine sufferers 15 million bushels—with the result that the Shanghai representative of the Grain Corporation now reports that more than 2,000,000 Chinese have been converted permanently from rice eaters to wheat consumers.

• • • During June alone the value of hogs and cattle in the five states of Nebraska, Iowa, Kansas, Missouri and South Dakota increased by \$289,259,250.

**Barometers**  
Shippers of the country, through estimates submitted last week to the Shippers' Regional Advisory Boards, anticipate that carload shipments of the twenty-nine principal commodities in the third quarter will be 21.1 per cent under the actual loadings for the same period last year. At present the loadings of the same commodities are 30 per cent under last year.

• • • There were more failures in June than in any June in history. Bradstreet's believes that it may be the final gust at the end of a storm.

• • • Commodity price indexes are definitely favorable. The Irving Fisher index at 59.6 stands 0.5 per cent above the low level of June 17. . . . Bradstreet's index gained slightly more than Fisher's. Only two other increases have been recorded in this index since October, 1929, and they were minute. . . . The index of 784 commodities compiled by the Bureau of Labor Statistics also has gained for two successive weeks.

• • • The Labor Bureau figures show that the purchasing power of the 1926 wholesale dollar now stands at \$1.55 on these 784 commodities. The extent of the price decline in certain commodities is far greater: the 1926 dollar is now worth in farm products \$2.15; hides and skins, \$2.80; silk and rayon, \$3.44; petroleum products, \$2.12; nonferrous metals, \$2.07; automobile tubes, \$2.55; crude rubber, \$14.92.

• • • The Irving Fisher index of business conditions for June is 61.3 and shows approximately no change in the general situation since May. Normally there is a drop of 6.4 per cent in July from June.

• • • The five weeks' moving average of bank clearings rose slightly last week, and indicates a real improvement in business activity.

• • • Bank debits rose by 4 per cent in June from the May low.

• • • Ingot output of the American steel industry fell below 1,000,000 tons in June and set a new low monthly record, and unfilled orders of the United States Steel Corporation declined for the fifteenth consecutive month. The backlog, at around two million tons, is the smallest in the history of the company. July usually is a slack month for steel; August customarily shows a slight pickup and September a pronounced upturn.

• • • Cotton acreage is estimated by the Department of Agriculture at 9.5 per cent less than last year, and the lowest for any year since 1922.

• • • Operation of steel mills at 12 per cent of capacity last week is believed to be temporary as this rate of operation is adequate only for a population 40 per cent below the present and minus automobiles, mechanical refrigerators and pipe lines.

**Sales Curves**  
According to a recent investigation made among the farmers of Montana, Utah, Idaho, Washington and Oregon, and released by the *Pacific Northwest Farm Trio*, they will spend in 1932 the sum of \$167,940,091 for food products in addition to what they grow on their own farms.

• • • Dealers' sales to consumers of General Motors cars in June totaled 56,987 units, which compares with



63,500 in May and 103,303 last June. For the first six months sales were 343,574 as against 593,564 last year.

• • • June production of motor cars fell from the previously estimated 200,000 to about 185,000.

• • • Chain store sales in June compared unfavorably with the average for the first six months. Woolworth June sales were 13.9 per cent less than last year as against a decrease of 9.2 per cent for the half-year. Kresge, with 718 stores in operation this year against 694 last year, had a sales decline of 15.5 per cent in June. W. T. Grant sales for the month were off 7.3 per cent.

• • • The Bureau of Labor Statistics estimates that the cost of buildings for which permits were issued in May increased 24 per cent over April. The percentage increases, by geographic divisions, were as follows: West North Central States, 45.1; South Atlantic, 185.9; South Central, 11.2; Mountain and Pacific, 2.1.

• • • American Telephone & Telegraph "sales" still are on the downgrade: 225,000 telephones were lost in June, 150,000 in May, 112,000 in April and 269,000 in the first quarter.

• • • The Westinghouse sales campaign among 35,000 employees brought in \$1,500,000 in May and \$1,100,000 in June. Total sales reported were 54,500, and 80 per cent of the prospects were closed for at least one item.

## Generalship

The Great Atlantic and Pacific Tea Company has leased space for a grocery unit in a Montgomery Ward department store in St. Paul. . . . A. and P. is selling its own "Yukon Club" ice cream in most of its eastern stores.

• • • Colgate-Palmolive-Peet cut its quarterly dividend from 62½ cents to 25 cents so that it might maintain its advertising program "on a basis that will keep the position of the company in the industry and the reputation of its advertised brands in the minds of the consuming public. As no one can foretell for how long a period present conditions may last, the company intends to conserve its resources and maintain itself in a liquid position, believing that the carrying out of its program—even to the extent of reduced profits and dividends on the common stock—is the greatest ultimate service it can render to its stockholders."

• • • Pepsodent is putting itself on the air every day of the week by adding a quarter-hour Sunday afternoon session devoted to bible reading and organ music to its week-day "Amos n' Andy" and "Goldbergs" programs.

• • • At last a head of one of the major tire companies—Litchfield of Goodyear—has struck out vigorously in advertising space against ruinous price cutting, and urges the public to pay more attention to quality. Doubtless the public will do that when the tire industry cleans its own house by not allowing mail-order houses and gasoline chains to undersell their own advertised brands by such a wide margin.

• • • American producers of steel could not compete with foreign makers even though they were to reduce

wages of common labor to seventy-five cents a day, according to the National Association of Flat Rolled Steel Manufacturers. They ask additional tariff protection. Apparently our costly plants and superior equipment give us an advantage which operates only when mass production can be indulged in, and now are white elephants which eat more than they produce.

• • • A definite report comes from Saginaw that the Chevrolet plant there has turned out a number of motor blocks for a new six-cylinder engine that is lighter than anything General Motors has ever built . . . and it is believed that other makers—Plymouth, Hudson, Willys—also are preparing cheaper models to compete with the new Fords which are fast retrieving the market in which they used to be supreme.

## Financial Skies

Last week brought a welcome slowing down in the pace of bank failures which

had reached an alarming rate around the first of the month.

• • • From February 2, when it started operations, up to July 8 the Reconstruction Finance Corporation authorized loans totaling \$1,054,814,486 to 4,196 institutions, 3,600 of which were banks and trust companies, 418 building and loan associations, 63 insurance companies and 38 railroads.

• • • New public financing during the first six months aggregated only 242 million dollars—a sharp decline from the 1,844 million total in the same period last year.

• • • Currency outstanding as of July 7 totaled \$5,775,000,000, a new high level since 1920. The increase over recent weeks is attributable to increased hoarding and to a slight extent to the transactions handled by currency in order to escape the tax on bank checks.

## Potpourri

An official of the Standard Oil Company of Indiana suggests that the word "taxoline" be used to replace gasoline on the ground that 40 per cent of the price paid by consumers for gasoline represents taxes of one kind or another.

• • • High prices are not necessarily requisites to profitable business operation. What is needed now is not a rapid increase of prices to the 1929 prosperity level, but a stabilization with a gradual and moderate increase reflecting a genuine improvement in demand.

• • • Motor vehicles relegated to the scrap heap in 1931 exceeded actual production for the first time in the history of the industry. The figure is placed by the National Automobile Chamber of Commerce at 2,880,095 as against actual production of 2,389,738.

• • • Envious eyes are being cast on Noxzema Chemical Company of Baltimore, which made a net profit of \$134,000 on net sales of \$505,000 in the first half of 1932.

• • • It begins to look as though the "new industry" for which so many have waited to lead us out of the depression may be an almost forgotten old friend—the brewing industry.

# How to Commit Suicide by Cutting Prices

**D**EPRESSION or not, many businesses would either have a better profit position, or else avoid bankruptcy, if they were content to lose from 10 to 20 per cent of their sales volume rather than cut their prices to rock bottom.

This may sound like a radical statement for these days, when prices are still tumbling all about us. Nevertheless, it would no doubt be found to be true if companies would only study their manufacturing and particularly their functional selling costs.

During the last year many companies were urged either by the trade or by their own sales executives to cut prices. "Cut the price or lose your volume," some argued. Others said, "If we cut our prices on a certain product, we'll get enough extra volume to make up for the profit loss." But will they? Or, in fact, will the average manufacturer?

The answer in many cases is *no*, and this article will endeavor to show the sales manager how to test or prove it to his own and his directors' satisfaction.

Many price cuts are effected something like this: at a conference the executives say, "We are losing out to competition because we haven't met their price cut. If we cut our prices and consequently reduce our profits, we can sell enough extra widgets to make up for the loss in profits."

So prices are cut perhaps 10 per cent and profits naturally are cut a percentage many times greater. At the next conference the executives find they haven't increased their sales volume sufficiently to make up for the profit loss. Therefore, the only profit in the transaction was made by the customer.

The answer to the executives'



*—but they weren't going anywhere!*

(Yes, the cartoon is an old one. It first appeared in *SALES MANAGEMENT* December 19, 1931, in an article by C. D. Garretson entitled "From Red Ink to Profits—in Sixty Days" and was greeted by dozens of appreciative letters and requests to reprint. It makes its second bow here—without apology—because it so well fits this story and the times.—THE EDITORS.)

Even while profits continue their precipitous fall, even while we see unmistakable evidence that lower prices no longer attract business, we continue chasing the volume rainbow. We still cut prices because our competitors do, and we still persist in the old superstition that lower prices will, in some magic way, bring back our boom-time earnings.

Based on an interview by Herbert Kerkow  
with

**EDMOND S. LAROSE**

Assistant Comptroller, Bausch & Lomb  
Optical Company, Rochester, New York

soliloquy—"To cut or not to cut price, that is the question"—lies in a simple study of the company's costs of doing business.

When certain factors wanted to cut prices during the last year, did they have the facts which would enable them to study the cost of doing business on the product in question? The following set of fact-finding figures are shown here, purposely fictitious, in order to make them applicable to the average business.

Let us assume that a company is now selling 1,000,000 widgets which cost it \$1.00 each to make and sell. A profit of 20 per cent is desired on the total cost, so that the product is sold at \$1.20, which results in a total gross sales revenue of \$1,200,000. Thus, on the sale of 1,000,000 units the profit is \$200,000 or 16.6 per cent to sales. In asking for a 10 per cent cut in prices it will be argued that the difference or profit loss will be readily made up by the increased volume a cut in price will bring.

Let us see how much increased volume we would have to obtain to keep the present profit of \$200,000.

If prices were cut 10 per cent (10 per cent of the \$1.20 selling price) the selling price of the article would be \$1.08. Assume that the sales volume is not increased by means of the price cut or that the volume remains at 1,000,000 widgets—1,000,000 times \$1.08 (selling price) equals gross sales revenue of \$1,080,000. It still costs a dollar a piece to make and sell these widgets, and, therefore, we must subtract the \$1,000,000 cost from a \$1,080,000 gross sales revenue, which then leaves us \$80,000 profit instead of the \$200,000 profit which obtained before prices were cut 10 per cent.

# Has Your Company Been Tricked into a Price War through the Belief that Added Volume Would Make Up for Loss of Profit?

Read this article and realize just how much added volume is necessary to make up for even a trivial cut in price—and show it to any salesman—or to any member of the board of directors—the next time he says "I think we ought to cut to meet competition."

If sales are increased 10 per cent by means of the 10 per cent price cut, we find the gross revenue to be 1,100,000 widgets times \$1.08 or \$1,188,000, from which we must subtract 1,100,000 times the \$1.00 cost. This increased volume then leaves us with a profit of \$88,000 instead of the former profit of \$200,000.

If 20 per cent more business should be obtained, the gross sales revenue would be 1,200,000 times \$1.08 or \$1,296,000, from which we subtract 1,200,000 times the cost of \$1.00 and then find the profit to be only \$96,000 instead of \$200,000. Thus, we are \$104,000 in the hole because we cut our price 10 per cent, even though we sold 20 per cent more volume.

At 30 per cent sales increase we have:

$$\begin{array}{r} 1,300,000 \times \$1.08 = \$1,404,000 \\ 1,300,000 \times \$1.00 = 1,300,000 \\ \hline \text{Profit, \$ } 104,000 \end{array}$$

At 40 per cent sales increase we have:

$$\begin{array}{r} 1,400,000 \times \$1.08 = \$1,512,000 \\ 1,400,000 \times \$1.00 = 1,400,000 \\ \hline \text{Profit, \$ } 112,000 \end{array}$$

At 50 per cent sales increase:

$$\begin{array}{r} 1,500,000 \times \$1.08 = \$1,620,000 \\ 1,500,000 \times \$1.00 = 1,500,000 \\ \hline \text{Profit, \$ } 120,000 \end{array}$$

At this rate, if you carry it out, you will find that it would be necessary to increase sales 150 per cent before the profit equaled what was being made before the price cut went into effect. Thus:

$$\begin{array}{r} 2,500,000 \times \$1.08 = \$2,700,000 \\ 2,500,000 \times \$1.00 = 2,500,000 \\ \hline \text{Profit, \$ } 200,000 \end{array}$$

I can already hear many people saying: "But that isn't a true picture, because increased volume results in a decrease in manufacturing cost per unit." That is so, but it doesn't change the picture radically, except for the ratio reductions on the fixed and semi-variable portions of the factory overhead. The sales expense ratio would probably remain the same or be even greater, as it would no doubt be necessary to increase advertising and sales effort if any increase in volume were to be obtained.

On the above basis of figuring it is readily shown that, if the cut asked for were to become effective, it would be necessary to sell half again as many widgets in order to achieve the same profit being made before the cut.

Upon correcting the cost in terms of lowered costs per unit as a result of a greater volume of production it was found, however, that on the accurate cost-finding basis it would be necessary to increase the sales volume

only 60 per cent in order to achieve the same previous profit of \$200,000.

But here is the point: a 60 per cent sales increase is likely to represent saturation-plus in any business. As an example, if you are already getting about 30 per cent of the market you would now have to obtain almost half of the market (30 per cent times 60 per cent), or about 48 per cent of the market, in order to make as much profit with the proposed price cut. It is believed, at this point, that many price adjustments or sales policies have been made without regard to or with no knowledge of the potential market and its present absorption.

Assuming that it were possible to increase the present volume 60 per cent—could it be accomplished at the same ratio of selling costs, in these days particularly? Mightn't we have to increase our selling effort out of all proportion in order to secure that last big slice, particularly since competition would also put up a tremendous fight before it relinquished a bit of its present business or its standing in the market?

The above computation illustrates the principle of diminishing profits where a manufacturer is indiscreet enough to let himself be tricked into a price war.

Going back to the computation, let us see if perhaps it wouldn't be more profitable to lose in volume rather than cut price.

If, from the original basis of 1,000,000 widgets sold at \$1.20 each, or at a gross sales revenue of \$1,200,000, we take off a loss in volume of 10 per cent, but keep our price the same, we find:

$$\begin{array}{r} 900,000 \text{ sold} \\ \text{at } \$1.20 = \$1,080,000 \\ 900,000 \text{ costed} \\ \text{at } \$1.00 = 900,000 \\ \hline \text{Profit \$ } 180,000 \text{ (vol. cut 10 p.c.)} \\ \text{Profit \$ } 80,000 \text{ (pr. cut 10 p.c.)} \\ \text{Former profit \$ } 200,000 \text{ (no change)} \end{array}$$

See how comparatively slight the profit loss is with a loss of 10 per cent in volume, compared to the profit loss with prices cut 10 per cent. While this lowered volume cost figure must necessarily be slightly corrected for the increased cost of manufacture when a lesser quantity is made as a result of the fixed and semi-variable charges assuming a larger share of the total cost of manufacture, the principle is, however, clearly illustrated. Companies that have not entered into the price war have generally found it possible, at 90 per cent or 80 per cent volume, to reduce their variable costs sufficiently to offset the increase in fixed ratios and thereby maintain the former costs.

Therefore, with a loss in volume,



you will continue to make a profit on each unit, although it is true that there will be slightly smaller profits. However, when prices are cut, it then becomes necessary to increase volume enormously in order to make up the consequent profit difference. Obviously, in many cases, it is more profitable to lose 1, 15, 20 per cent, or more, volume and to retain at least a price which will reap a fair return.

Cutting price is almost always a poor gamble with a product long established. Cellophane has been able to cut its price year after year because it is comparatively new and its markets are extending rapidly. Wait until it reaches saturation. Then prices must remain comparatively fixed and the industry will have to do what it can to keep out of a price war.

Manufacturers selling but a small percentage of a total market may benefit by price cuts because they are in a position to secure the largest increase—but if they cut, won't competitors cut, too, and then what?

Manufacturers may benefit, oftentimes, by cutting price in such a way as to get into an entirely new price field. Cadillac, in 1924, wanted to sell 35,000 cars. How much should they cut to achieve this quota? If they did cut, would they achieve it? Cadillac did cut. But their real solution came when they did so by offering the La-Salle in 1926. Thus they achieved their 35,000 quota or more.

Recently, it has been rumored, machine tool manufacturers met as a group to agree to cut prices 10 per cent in an effort to stimulate business. Evidently, they argued: "Our sales in this depression have gone off. If we cut prices 10 per cent, manufacturers who want our equipment will then be able to buy. That 10 per cent should easily bring enough volume to make up for the loss in profit."

But these tool makers, it appears, are only cutting their own throats. They seem to have overlooked the fact that their business is disproportionately affected by boom or depression times.

That is—their sales, if plotted against normal business indices, would show a tremendous increase or peak in boom times and an equally deep valley in depression times. When the general business index is 40 per cent below normal it is found that the deviation factor for the machine tool industry brings their drop to 70 per cent or 80 per cent below normal. Cutting prices 10 per cent can't possibly affect that tremendous valley or change the course of an entire business.

the buyer's depression is an absurdity.

The answer to the average manufacturer's problem today is not a cut in price. The answer is creative selling. Possibly what he needs to do is re-style or redesign his product. That way he gives his customers a new deal for the dollar, his salesmen new enthusiasm, and his competitors headaches.

Competitive price cuts won't touch him if he has a new product to offer because the basis for comparison is

shot from under them. If, in addition, he wants to hamper competitive efforts further, let him meet their price cut with his old product, just to show the trade he has a comparison. But his chief sales will come from the newly styled product, so the price cut will represent very little profit loss.

Again the manufacturer may answer his problem by discovering new markets, though this process takes longer than restyling or redesigning his product.

Finally, the manufacturer may develop a new merchandising plan or even a new selling technique. All of these, unfortunately, require more creative thinking, more hard, intensive brain work, than the decision "We'll cut our sale price."

Many economists regard as encouraging the fact that lower prices have, for some weeks past, definitely

lost their former degree of appeal to the general public. This situation means that further cuts will only aggravate the glutted condition of markets, and will make profitless selling even more profitless. If the public is not responding to price, common sense dictates a return to quality appeal, to style and design promotion, and to the exploitation of those "plus values" in merchandise which in former periods of prosperity were so successfully employed to stimulate the buying urge. A straw in the wind is the action of the International Silver Company, which on July 1 raised the prices on their three principal lines from 10 to 18 per cent.

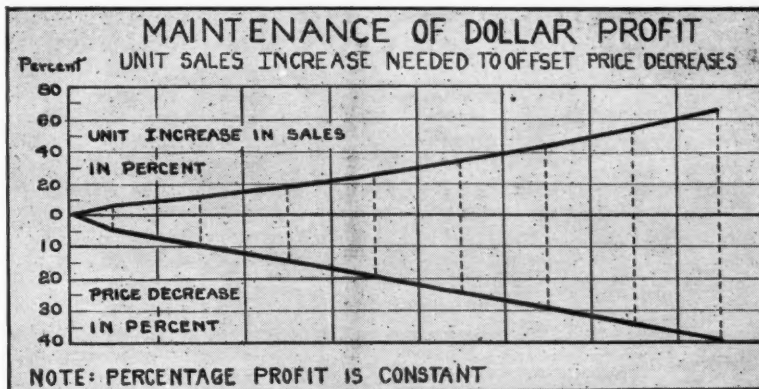


Chart courtesy Eddy-Rucker Company, Cambridge, Massachusetts

Q Much of senseless price-cutting is traceable to the widespread belief that volume is the producer of profits, and reduced prices a creator of volume, *always*.

Q The chart shows the effect of a price reduction of 5, 10, 20, and 30 per cent, the curve indicating the increased volume of units which must be sold to offset a given decline in price, and yield the same amount of dollar operating income at a constant percentage of profit.

Q A reduction in price of 10 per cent requires an increase of 11 per cent in units sold to return the original gross profit in dollars. A reduction in price of 20 per cent requires an increase of 25 per cent in units sold to return the original gross profit in dollars. A reduction in price of 25 per cent requires an increase of 33 per cent in units sold to return the original gross profit in dollars.

Take the case of a manufacturer in Rochester, New York. He makes what is virtually a machine tool, though he doesn't sell it to manufacturing establishments. He is being besieged by his dealers to cut price. He stated that he thought a cut in price would enable him to break the buying depression in his field. He was asked how many machines he sold in boom times. His answer was that the plant had to turn out twenty-four machines a day to meet the demand. "How many do you make now?" I asked. "Two a day," he answered sadly. Will a cut of 10 or 20 per cent in price have any noticeable effect on a market that has shrunk 1,200 per cent? The thought of his cutting price to break

"We have made no changes and will make none," says Wrigley president. "We have always been doing everything we could possibly do to sell all the gum we could possibly sell." Thus does Philip Wrigley reiterate his father's courageous management policies and publish a vow to follow through.

# Selling Spirit Undaunted, Wrigley Marches On

WILLIAM WRIGLEY'S sturdy spirit lives. Wrigley's remains Wrigley. As it was it is and as it is it shall be. Policies, methods, habits, hopes, ambitions—the same. For "P. K." carries on—

Just before William Wrigley, Jr., died last winter the writer got him on the 'phone. You could always get William Wrigley on the 'phone. No girl to quiz you, to ask your name, your business or the condition of your teeth.

If you wanted to talk to Bill Wrigley you got Bill. No fuss about it.

"I'm very busy," said William Wrigley that day, "but—oh, well, come on up."

He gave his interview, not because he wanted to give an interview, but because it was his nature to desire to please one who showed interest in the Wrigley business. He gave his interview quickly, happily, to the point. The job was soon done. William Wrigley's last interview was published in SALES MANAGEMENT.

The other day the writer sought an interview with P. K. Wrigley. "P. K." answered the 'phone. No guardian-girl to question or bicker, to demand your name, your business or the color of your eyes.

"I'm pretty busy," said P. K. Wrigley, "but—well, how will 3 o'clock suit you?"

I've noticed for a long time that when I have cause to speak to anyone

in the Wrigley organization (and I do every now and then) I get him—without delay; get him in person. The Wrigleys, father and son, have always known that a straight line is the shortest distance between two points. That idea has become instinct throughout the organization.

I commented on that to P. K. Wrigley—at just 3 o'clock. I said it was a good experience in a time when so many business men are building barbed wire entanglements about themselves and establishing listening posts to guard against the surprise, perhaps, of an order. "P. K." reacted, tersely:

"I've noticed that the fellows who are hardest to get at are generally the hardest hit by this depression. We try to make the matter of doing business as simple as possible."

And then he told me this—

"I have a friend. He is with a very large organization. He wanted to talk business the other day with a department manager in his own organization. That man's job is to take orders. When my friend called a girl refused to connect him unless he first stated his name, his business connection and placed his purpose under her eyes for censorship.

"My friend, incensed, snapped, 'You can tell him to go to hell.'"

P. K. Wrigley mused:

"We all want good will. We spend a lot of money to buy it; large sums for advertising. We work years to get it. We can't afford to kick it

away. Make even the minor details of business easy and simple. It pays. It is a point with me to answer every letter that comes in, important or not. Here is an example—

"When Dad died a woman out in California wrote to me. She said she was 86 years old; that she had never been able to get the things she wanted. She said if I could send her \$10,000,000 as a gift she figured she could travel, do all the things she had always wanted to do, for the rest of her life.

"I took the time to reply to her, answering her in a kindly manner, considerably and courteously, telling her that we had no \$10,000,000 in loose change we could spare. I explained to her that every dollar we had was invested, working, needed. She was serious, I felt. I answered her in the same manner.

"I have been told that I should have ignored her letter. But I felt better after answering it. A stick of gum costs only a penny. That small fact has been impressed upon me. Wrigley's has been built up by watching all little things.

"In all the years that Dad owned the Cubs he never went to a ball game unless he bought his ticket and paid for it. Every week when the Cubs were at home he used to hand out tickets to employees around the office; little gifts. Dad always paid for those tickets; always paid cash. It was the businesslike thing to do."

(I use a capital "D" in quoting

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## "Big Bill" Wrigley's Son Carries On—an



P. K. Wrigley's "Dad." That seems better. In using the word he spoke with infinite respect. Dad, as he said it, seems to require that.)

"People often say to me," he went on, "that it must be nice to own hotels, an island, a ball team—and to enjoy them all without cost. Well—

"We do own the Arizona-Biltmore hotel at Phoenix. But when I stop there I always pay cash for rooms, food, everything. When I go to Catalina I always pay. Soon after I started the air line between Los Angeles and Avalon I arrived in Los Angeles.

"The manager of the airline phoned to me saying, 'I'll send a special plane right over for you.'

"I answered, 'You'll do no such thing. I'll come in a regular ship on regular schedule.' I did. And I bought my ticket like any other passenger.

"For, I argued, who in the world am I that I should have special treatment? And if the line makes special trips for me, which cost money, and dead-heads me, which is not careful business, then will it not get into loose habits and begin to do the same thing for others?

"Careless habits are easy to acquire, especially in business. Every business, we must learn, has got to stand on its own bottom.

"I got a questionnaire from a large advertising agency the other day. It rather puzzled me at first. Several curious questions were asked. One of them was, 'In times like these do you not find that you must cut out complimentary and policy advertising and trim your appropriations to the very best, the kind that pays profits?'

"Now it had never occurred to me that any good business house had ever done any other thing. Perhaps they have. But the Wrigley company, which has invested more than \$90,000,000 in advertising, has always analyzed every expenditure with the idea of getting its money's worth.

"To emphasize that point, the Cubs publish a program. Advertising space is sold in it. Yet we have never advertised our gum in it because we figure we can get better value for our specific purpose somewhere else. They'd like to sell us, those men out there, but they haven't been able to think up a good enough argument—not yet.

"We've been asked if, due to the depression, we haven't had to cut

salaries. My reply is this — the Wrigley company didn't go on the loose during the boom. We never skyrocketed up so we never had had to skyrocket down.

"Some people say, 'Oh, the gum business is depression-proof. You haven't been hit.'

"I reply to them that no business is depression-proof. Millions of gum-chewers are out of jobs. Kids' pennies are scarcer. Normally we have more than 900,000 outlets. Thousands of small tradesmen have closed. Hundreds of hot-dog stands and barbecue places won't open this summer. They all sell gum. Surely we are affected.

"I'm often asked, 'What are you doing now, during the depression, that you didn't do before? What new methods to keep your volume up?'

"I tell them that we have always been doing everything we could possibly do to sell all the gum we could possibly sell. Today we are only working, as we always did, to the very best of our ability.

"I've been especially annoyed by people who have asked me, since Dad died, 'What changes will you make?'

"We have made no changes; will make none. We have been doing the things, all the time, that we thought right. The only change is that no longer can I step into Dad's office for a bit of advice. I can't do that any more—ever.

"Dad was chairman of the board. The office was created for him. Now that he's gone that office will always be vacant. There was only one Dad. I have been president of the company for seven years; active in the management of it fifteen years."

"Fifteen years of training in policies and methods," I ventured.

"Thirty-seven," corrected P. K.



Philip K. Wrigley

"Meaning," I suggested, "that you are thirty-seven years old?"

"Perhaps thirty-eight," he replied, "Let me stop to figure. I can never quite remember my age. But, anyway—the thought is this—Dad always brought his business home.

"He talked his business with me from my earliest memory. He would talk business with me when he and I used to ride horseback together. My training in the business started when I was a child. It was Dad's way."

P. K. got out some broad books, album-like, filled with pictures taken on Catalina Island.

"Dad bought that island," he said, "just to have something to keep him busy. He always had to be busy. It was almost a desert island then, only

(Continued on page 75)

## Interview with "P.K.," by Lester B. Colby



# Listerine Trails and Nabs a Gang of Counterfeiters

BY HERSCHEL DEUTSCH

**I**F a certain trio of young men who recently went to jail in California were to express themselves on the subject of counterfeiting, they would probably indicate a belief that the manufacturing and passing of home-made twenty-dollar bills is a relatively simple and safe business; that is, compared to the counterfeiting of a trade-marked product. These chastened young men were engaged in that newer version of the old money-making idea when they were interrupted by contact with the company on whose reputation they had attempted to trade, and so today they can speak with bitter authority on the infinitely troublesome complexities of product counterfeiting and the tenacious, example-making vindictiveness of the commercial corporation.

Of course, at first glance, the idea of faking popular articles and merchandise seems a nice, airtight, ready-made source of income. The established demand for certain products gives them a negotiability as ready and stable as money itself. Because they are so widely advertised and have such a steady sale, this is especially true of a large number of drug store items. There are druggists in every community who will always be more than willing to pay cash for these products

when they are offered at appreciable reductions below the regular wholesale price. As the counterfeiter sees it at first glance, therefore, apparently all one need do is to make reasonably accurate facsimiles of the packages, fill them with an approximation of the original contents and cash them.

In the last year or two the idea seems to have occurred to a number of very practical if not overly honest fellows. Although it is not generally

Attempts to "bootleg" well advertised branded products are invariably unsuccessful, yet stupid crooks still think they see a chance to make a pile of easy money in this way. By continuing to report such attempts, exposing facts which demonstrate clearly their futility, Sales Management hopes to discourage, in some measure, such activity. The expense of apprehending these criminals has cost the big advertisers a tremendous sum annually ever since the advent of national brands.

known, during this time counterfeits of Bayer's Aspirin, Coca-Cola, Pyramidon, Carter's Liver Pills, Coty Perfumes, Midol, Castoria, Vick's Vapo-rub, Kruschen Salts, Luminal, Canada Dry Ginger Ale, Allophan, Gillette Blades, Vapex, Allonal and other popular products have been detected and, in most cases, their producers caught. To this impressive list those young men in California have just helped add Listerine Antiseptic.

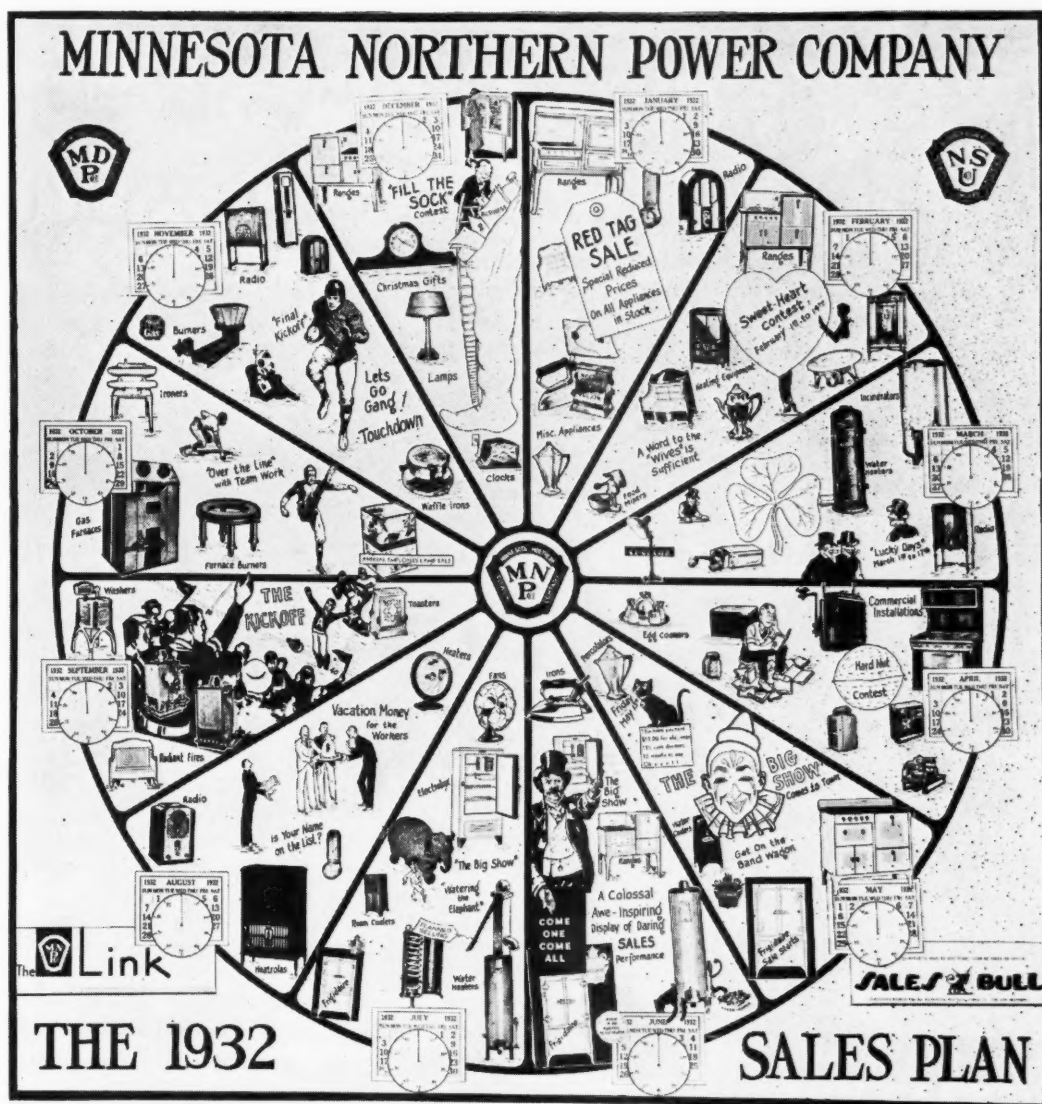
It is easy to understand the temptation to issue a counterfeit Listerine in the Los Angeles district at this time. Listerine had been an important element in the wave of price-cutting, which has been sweeping over that part of the country, and had been so severely "footballed" by certain stores that in defense of the more conservative dealers the Lambert Pharmacal Company took steps to keep it out of the hands of the price baiters. Under these conditions, the offending retailers welcomed any opportunity to buy it from unorthodox sources, most especially if a price concession was thrown in.

Fred B. Ashton, the special investigator for the Lambert Company, made his first cautions inquiries at the stores where suspect bottles had been found. The cooperation of the retailer is usually a very important factor in product counterfeiting, not merely because he can help lead to the source of the product, but because in most states

(Continued on page 82)



Q "Here we spend \$50 to send you to the advertising convention—and still you can't put any life into our basement copy."



# Fly Blind and Trust to Luck? —Or Know Your Course?

“WHERE do we go from here?”

Every executive, every salesman, every clerk, and every service man for the Minnesota Northern Power Company knows the exact answer to that question. No aimless selling here. Sales are planned a year in advance. Fans are being featured this month. Heaters will be pushed next month. In September they'll bang away at the job of making the Minneapolis market toaster-conscious.

Thus are customers approached with seasonable items at the right season; haphazard selling is eliminated on the

entire line all year. Prize contests spur the sales force into energetic competition during each campaign, and things happen so rapidly that there just isn't any time for the men in the field to grow bored with their jobs or lazy.

Now check up on your own marketing activities. Have you set a definite goal for the year's work? Have you planned the way to attain it? Do the men in the field have a definite task to perform this month—and next month—and the month after? Or are they blindly rambling over their territories hoping, rather lamely, that by some stroke of luck they'll be handed enough orders to cover their drawing

accounts? Is there some special incentive to urge them to use all their wits and resourcefulness in combating the inertia that always seems to overtake buyers—even in boom times—during the summer months? Are you planning to make this Fall better than last Fall—or just marking time waiting for “things to get better”?

The companies that are pulling in nice orders, even now, have one conspicuous thing in common: a planned marketing program. *The lack of a plan is a far greater handicap to any organization than “general business conditions,” no matter how rotten they may be.*

# The Foreign Language Field— a Big Problem and Prospect

**M**ANY manufacturers of branded products will find the domestic foreign language market worth tackling—if they tackle it right.

The market is pretty big—about 35,000,000 people all told. Though the income of these people has not averaged so high as that of native-born Americans, they have been thriftier, probably have more savings today, and yet for certain types of products, such as food, they spend on the average more per family than the native-born of the same income level.

Though this market has been largely untapped by American concerns, the success which a number of them have had shows that it can be "educated" by intelligent personal selling and advertising—by the ability of the seller to adjust his product and policy to its needs, wants and restrictions. Sometimes this means adapting the name, the container or the advertising copy.

This done, not only can he build up an unusual degree of consumer loyalty and word-of-mouth promotion,

BY LAWRENCE  
M. HUGHES

but he can get information, economically and accurately, which, if he desires, will enable him to extend the market for his product among the people of the same nationalities abroad.

The foreign language market, of course, is many markets. Their requirements vary as widely as the Germans and the Italians, the Russians and the Swedes, the Czechs and the Chinese, themselves. Within the nationality, however, they are pretty homogeneous and gregarious. They are also quite easy to spot. In Chicago, for example, Poles are plentiful. New York, on the other hand, has not so many Poles, but plenty of Germans and Italians. Swedes lead in Minnesota and North Dakota. The Chinese and Japanese, not so numerous, are mostly on the Pacific Coast.

Throughout the country there are more Germans than any other—about 6,900,000. Then come the Italians, with 4,500,000, Poles 3,500,000, Russians 2,700,000—and many of the Poles and Russians are Jews—Swedes 1,600,000, French (including French Canadian) 1,500,000, Czechs 1,400,000, Norwegians 1,100,000, and plenty of other nationalities with several hundred thousand apiece. The Irish have about 3,700,000 and the English about 2,500,000, but these differ less than the others from native-born Americans. Then there are about 700,000 red, yellow and brown people—the red members of which should know already more about America than anyone else, and the yellow are learning rapidly, despite translation obstacles.

Immigration has dwindled in recent years, and last year for the first time was smaller than emigration. Our present quotas call for 150,000 immigrants annually, but about 300,000 more are exempt due to the fact that a foreigner who becomes an American citizen is allowed to bring in his family and parents. The market is still pretty big, and the smaller number now arriving suggests that foreigners here more rapidly are being adjusted to our ways of living. Children of foreign-born parents of course have gone farther in this respect than their parents. But the habits of the parents also are being changed by American advertisers and by different living conditions here. The large kitchens of Europe, for example, cannot be maintained in American apartments and small homes. Not only is the food being changed but the methods of preparation.

The prospect is not only being adapted to the product, but the product to the prospect. It is said that the late Dr. Dorrance of Campbell Soup Company got the canned soup idea from a tour of Europe, where he noticed that most families had soup every meal. Borden, Heinz and National Biscuit, among others, have made considerable progress in this field. Cigarette and cigar advertising, however, take first rank.

The foreign-language market is served by some 800 publications mostly dailies and weeklies. The dailies have a combined circulation of about

## From This

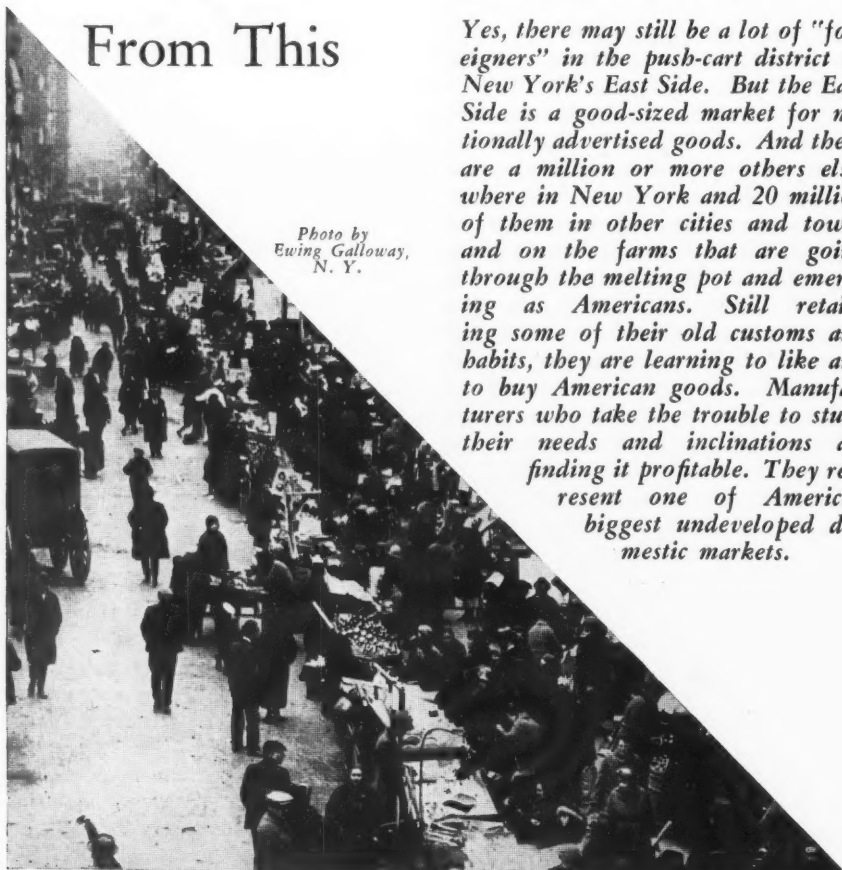


Photo by  
Ewing Galloway,  
N. Y.

*Yes, there may still be a lot of "foreigners" in the push-cart district of New York's East Side. But the East Side is a good-sized market for nationally advertised goods. And there are a million or more others elsewhere in New York and 20 million of them in other cities and towns and on the farms that are going through the melting pot and emerging as Americans. Still retaining some of their old customs and habits, they are learning to like and to buy American goods. Manufacturers who take the trouble to study their needs and inclinations are finding it profitable. They represent one of America's biggest undeveloped domestic markets.*



3,500,000; the weeklies of about 6,000,000. The dailies usually are independent; many weeklies the organs of "societies" or unions. The German papers have the largest circulation—about 1,000,000 all told; the Polish about 800,000; Italian 600,000; Czecho-Slovak about 400,000. Individually most of them are of small circulation, confined to the "colonies" of the larger cities. Chicago has about 20—the largest being the Jewish *Forward*, the Lithuanian *Naujienos*, the Polish *Daily Zgoda* and the Bohemian *Denni Hlasatel*—all slightly less than 50,000 each. *La Notizia*, Boston Italian daily, has nearly 30,000 and *L'Opinione*, Italian, and the *Gazette Democrat* (German) of Philadelphia, as much or more. In Milwaukee the *Herold*, a German paper, and two Polish papers (representing two factions: Catholic and anti-Catholic) all have circulations of more than 25,000. Buffalo's large Polish population provides 30,000 for *Dziennik dla Wszystkich*.

New York City's 35 principal foreign-language newspapers appear in 19 languages. The German *Staats Herold*, Italian *Il Progresso-Italo-Americano* and the Yiddish publications, the Jewish *Day* and Jewish *Morning Journal*, have circulations of about 90,000 each. That of the New York Jewish *Forward*, of about 150,000, is the largest of any foreign-language newspaper in

America. There are several Hearsts and Scripps-Howards in the field, such as Generoso Pope, owner of Italian papers in New York City; the Ridder Brothers, of German descent, and the Brumder family of Milwaukee who publish a daily, two farm papers, and two weeklies.

The foreign-language publications have more distinct "sex appeals" as a rule than the English. There are often "men only" and "women only" papers: the former devoted primarily to politics, labor and economic problems; the latter to the home and household management. Some German papers are especially strong educational forces with the housewives.

The individualism of the newspapers has applied also in distribution, finance and other economic fields. Chain stores have not made much progress in foreign-language markets. These people prefer to buy from independent merchants, and merchants usually are men of influence. Also they have dealt more with neighborhood banks of their own nationality—at greater risk than in the larger savings and commercial banks. In recent years, however, these private banks have been sup-



Photo from  
R. I. Nesmith  
N. Y.

... to This



Coca-Cola Company effects a few quick and simple changes in an illustration in an advertisement addressed to a Jewish group to make it appropriate for the Italian. Above, the Jewish advertisement; below, the Italian.

planted largely by branches of larger institutions. But some of the private bankers, like Amadeo Giannini, of San Francisco, have developed their businesses into institutions of wide influence.

The foreign field differs from the native in its distribution of age groups. Generally speaking, foreign-born have more children and an average younger age. But the foreign population does not consist entirely of the foreign born, and the preferences and prejudices of the fathers die slowly among the children born here. In Milwaukee, for instance, over 70 per cent of the German "market" consists of the first-generation population, and a larger proportion of the people are in the 15- to 44-year-old group than in the country as a whole. The 1930 figures show:

(Continued on page 76)

# Adjusting the Direct Mail Budget to 3-Cent Postage

**W**ITH first-class postage upped to three cents—a flat increase of 33 1/3 per cent—business is naturally beginning to sit up and take notice. Everywhere, those who hold the purse strings are asking, "What can we do about it? How can we decrease our postage costs, or increase the effectiveness of our mailings?"

Naturally enough, our first thoughts turn toward a reduction of bulk mailings. We make noble resolutions to prune our mailing lists, and "cut out the deadwood." At first glance, this seems a swell idea, and worthy of all acceptance. But it is fraught with danger. Few humans can wreak more devastation than an overzealous enthusiast, equipped with a pruning knife. No one will argue for a moment against the obvious truth that "deadwood" should be removed, and effort concentrated upon live prospects. But this brings up the delicate question of just who is a prospect, and when he ceases to become a potential asset.

Long ago I learned that the selection of prospects by the "guessing" process is likely to prove expensive and disastrous. In my younger years I used to sell lumber, and in a surprisingly short time I got so smart in the business that I could walk along the street and tell at a glance that a certain prospect didn't want to buy any No. 1 Hemlock, or B & Better Oak flooring. As a result, I never broke any sales records, and doubtless overlooked opportunities to market several million feet of choice lumber. It is, I grieve to observe, a practice that is still prevalent in modern business.

And so, in this process of weeding out your mailing list, I caution you to exercise your utmost powers of discretion. Don't go hog wild. Bear in mind that it is better to waste a few cents in postage than ruthlessly to eliminate from your list a prospect whose purchases may pay for a thousand "wasted" stamps. This is a splendid time to cut out the dead names, but be sure they *are* dead, not sleeping.

\*This article appears in this issue instead of Mr. Droke's usual department "Sales Letters."



BY  
MAXWELL  
DROKE

Q Shall we prune the mailing list?

Q Shall we change to third-class mailings?

Q Will the postcard have a revival?

Q These and other related questions are answered in this article by Maxwell Droke.\*

The next question up for consideration is likely to be the switch from First- to Third-class mailings. We may confidently anticipate many a battle 'tween those purple three-cent stamps and the green ones priced at a penny. The temptation to save two cents on each individual mailing will be mighty strong, and we may look forward to an avalanche of penny-postage mailings. Is this a sound move? Or is it false economy?

This is one of those questions that cannot be answered by a simple yes or no. So much depends on the nature of the product or proposition; the plan and purpose of the campaign. There are times when three-cent postage may prove a rank extravagance. And there are occasions when one-cent postage is wholly inadequate to accomplish our desires.

Mail-order advertisers, you may be sure, will waste little time over the

academic question. A series of tests will soon determine which is, for them, the most profitable procedure. If purple stamps yield a larger net profit than green, they will be employed; if not, these astute merchandisers will forsake them. It is entirely a matter of mathematics. But for some of the rest of us, the problem is not so simple. Perhaps we are after inquiries, not orders. We must determine, then, the approximate value of an inquiry, and compare the relative cost of one- and three-cent mailings. Though I have known rare exceptions, it may be taken as an axiom that first-class mailings will bring greater returns than third-class. The question, then, is whether the returns are sufficiently increased to warrant the added postage expenditure.

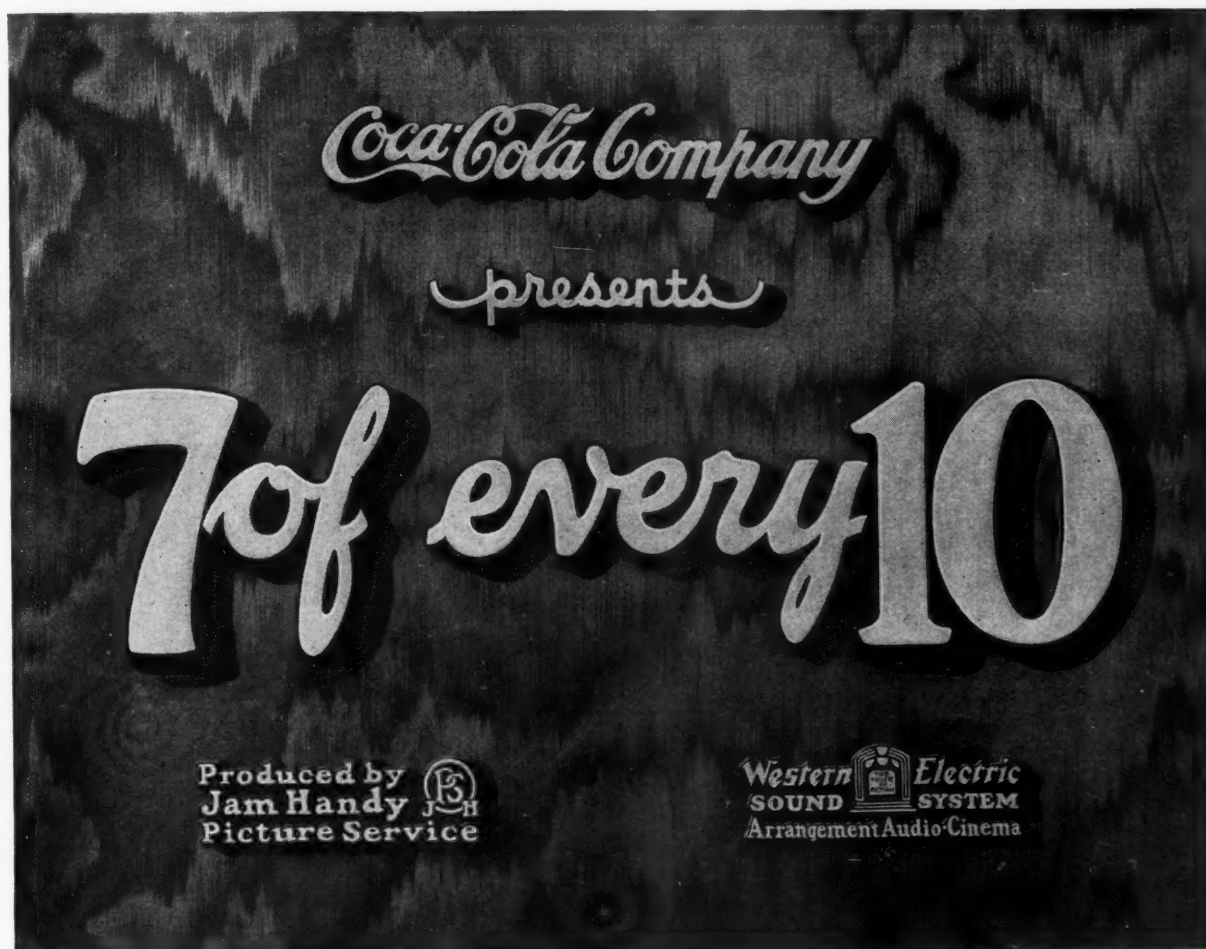
In those instances where the mailing is primarily educational, and inquiries or orders are incidental, the determining factor in most cases will be prestige. If the product is, let us say, a \$500 machine, and the mailing is a letter with an individualized appeal, then prudence would dictate a three-cent stamp, to insure first-class consideration. If, on the other hand, you are a poultry dealer, wishing to apprise the women of your neighborhood with the quality of your wares and the reasonableness of your prices, the problem becomes one of blanketing your community with a bulletin, at the lowest consistent cost. Penny postage would probably prove a shrewd selection.

In this connection we cannot overlook the fact that three-cent postage will undoubtedly cut down the volume of advertising letters in this classification. Thus, the mailer who clings to first-class postage will have less competition than formerly. It seems reasonable to assume that this may give him an added measure of prestige. His letters, more than ever before, will stand out from the stack of commonplace "circulars." This is a point which the wavering mailer cannot afford to minimize.

Conversely, the mailer who employs third-class postage may look forward to keener competition, from the army of former red-stamp users. He must

(Continued on page 81)





## Making Figures Live

**T**HE Coca-Cola Company had new facts and figures on soda fountain operation, based on two nation-wide drug store surveys.

They wanted to dramatize this information so interestingly that every fountain operator would recognize its value, and put it to work.

Their previous talking picture had "saved hundreds of operations, hours of time—and bought more calls with the same sales dollar," in the words of one Coca-Cola executive.

So Coca-Cola engaged expert service to

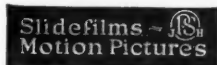
help them drive the new points home, in talking pictures. Under their supervision, the complete enterprise was handled through Jam Handy Picture Service.

Complete up-to-date sound studios and equipment for the production of talking pictures are maintained permanently by Jam Handy Picture Service—in addition to a competent and experienced creative staff, with national screening service for the protection of all meetings.

*An organization devoted almost exclusively to improving what happens when a salesman, service man or dealer contacts with buyers or prospective buyers.*

## Jam Handy Picture Service

Jamison Handy, President



Detroit—Chicago—New York



DETROIT, 2900 EAST GRAND BLVD. — CHICAGO, 6227 BROADWAY — NEW YORK, CHANIN BLDG.  
REGIONAL SERVICE REPRESENTATIVES AT PRINCIPAL POINTS THROUGHOUT THE UNITED STATES



# Wanted: Special-Rate Railroad Mileage Books for Salesmen

**I**N a desperate effort to cut selling expense, thousands of companies have drawn men out of the field. They have ceased to attempt to cover remote territories, even those that may hold reasonably good sales potentials, simply because the overhead on the business to be thus closed is too high. They have consolidated smaller territories nearer to the home office, in many cases giving one man as much territory as three men worked before. Some have eliminated many of the smaller cities and towns from the salesmen's route sheets, confining their activities to the metropolitan areas, while they are attempting to cover the prospects thus neglected by mail advertising.

**T**RANSPORTATION is still the biggest single item in a traveling salesman's expense account. There is little doubt in the minds of the editors of *SALES MANAGEMENT* that the re-establishment of the system for selling salesmen's railway mileage books on a two-cents-a-mile basis would materially stimulate commercial traveling, and would, as a corollary, have a salutary effect upon unemployment and general business. What is more important to the railroads themselves, it would (through the orders these men would sell—and there would inevitably be *some business*) create freight and express traffic, thus helping to alleviate the acute condition of the roads that are suffering so severely from lack of income from these sources.

**P**ERSONAL selling is needed now as it hasn't been needed for years. Dealers and jobbers need the heartening stimulation of warm, human contact

with the manufacturers they represent. They need ideas, merchandising plans, new and better products to sell.

The railroads have been slow to recognize a great potential year-around market for passenger business to be had through such rate reductions as will encourage manufacturing executives to put more men back in the field. They have chosen to believe that salesmen *must* ride, and have reserved

their special rates for vacationists, and week-enders—who represent, after all, mostly one-time business.

This stupid policy has thrown many salesmen into the unemployment ranks and has surely and inevitably cut off thousands and thousands of tons of freight haulage business for the roads themselves.



**Q** Would your company put more men back in the field if railroad rates for salesmen were cut to two cents a mile?

The editors of *Sales Management* will welcome expressions of opinion from sales executives on the accompanying editorial. Address the Managing Editor, *Sales Management*, 420 Lexington Avenue, New York City.

**T**HERE isn't a sales executive in the country who wouldn't put men back on the road if he could be shown that it would be possible to operate at an overhead that would allow the men to make their own expenses plus even a little bit of profit for the company. For territories have lain fallow now for many months and before any reasonable volume of business can be pulled out of them again it will be necessary to do weeks of personal missionary work to rebuild old contacts. Now is the time that work should be done—not after Labor Day, when there is a tendency toward a normal resumption of routine activity after the summer's slack.

Commodity business must recover before the railroads in red will get out of the red and those in black will restore their profits to adequate proportions. Mileage books will help directly and effectively to achieve that end.

# "We save money by using *Long Distance*"

SAYS THE PRESIDENT OF GENERAL AMERICAN TANK CAR CORPORATION



The General American Tank Car Corporation builds refrigerator, tank and other special railroad cars, and rents them to shippers for stated periods. Demands for cars often come on short notice, making it necessary to assemble them

quickly from many points throughout the country. Long Distance telephone service is used in all phases of the company's activities: engineering, manufacturing, selling, traffic, collections, accounting and administration.

MANY of the companies which are successful under today's unusual conditions count Long Distance as one of their important . . . and most economical . . . business-building aids. Among them is General American Tank Car Corporation, whose record through recent trying times has attracted wide attention.

"Our business is founded primarily on service to customers," says the President of this company. "Without Long Distance, we could not give satisfactory service. Consequently, it has become an integral part of our business.

"Long Distance helps keep operating expenses at a minimum. We use it constantly to save money. The vital information which it gathers quickly from many points, the hours it saves in getting things started, the helpful, friendly contact it brings with our customers . . . all have an actual dollars-and-cents value which cannot be ignored."

Let a representative of your local Bell Company show you how the *planned* use of Long Distance brings results at low cost. He will gladly help you develop a telephone merchandising plan which is custom-fitted to the requirements of *your* business. You incur no obligation.

## LONG DISTANCE RATES ARE LOW

*Typical Station-to-Station Rates*

From	To	Day	7 p.m.	8.30 p.m.
Detroit	Pittsburgh	\$1.05	\$ .90	\$ .60
New York	Montreal	1.65	1.40	.95
St. Louis	New Orleans	2.35	1.95	1.30
Washington, D. C.	Chicago	2.55	2.10	1.40
Boston	Grand Rapids	3.00	2.45	1.65
Denver	San Francisco	3.75	3.00	2.00

JUST CALL YOUR BELL



TELEPHONE BUSINESS OFFICE

# "Promotional Selectivity" Keeps Spud up in a Declining Market

**W**HILE unit sales of the "big four" of the cigarette industry were losing ground last year, Number 5 in rank was making progress. It is still making progress, while the others are still losing ground. To be sure, the "big four" continue to do the bulk of the total cigarette business of the country.

But all is not volume that counts in cigarettes or any other type of business. Profits count for something (the earnings of the "big four" are smaller now than they were in 1931, while those of Number 5 are substantially the same). And a judicious selectivity in products, markets and methods is quite important.

Consider, then, Number 5—Spuds—menthol-cooled, made by Axton-Fisher Tobacco Company of Louisville, sold aggressively under the direction of W. F. Axton, president; E. J. Helck, vice-president, and R. L. Axton, general sales manager, and advertised productively by Kenyon & Eckhardt, Inc., New York City.

Axton figures that Spud provided the company with nearly twice as much sales volume and more than three times as much profit in 1931 as in 1928 (the first year it was nationally advertised) and that its sales are now 40 per cent "ahead" of the 1929 rate (the peak year of the industry), while the industry as a whole is 20 per cent lower in volume. And Spud's retail price is maintained consistently at 20 cents, as against 15—and often less—for the other four.

How did it happen?

Axton-Fisher for a number of years has been the principal independent factor in the American cigarette industry. Until four years ago it was making a variety of products—chewing and smoking tobacco as well as cigarettes—to meet a variety of regional tastes. But the larger companies were concentrating more and more on single brands, and spending many millions of dollars to put them ahead in this intensely competitive field.

W. F. Axton, who founded the company in 1899, decided likewise to concentrate. He did not have the money to meet Lucky Strike, Camel, Chesterfield and Old Gold dollar for dollar in promotion. So instead of

volume he relied on selectivity. He wanted every dollar the company could scrape together to do the greatest possible amount of work.

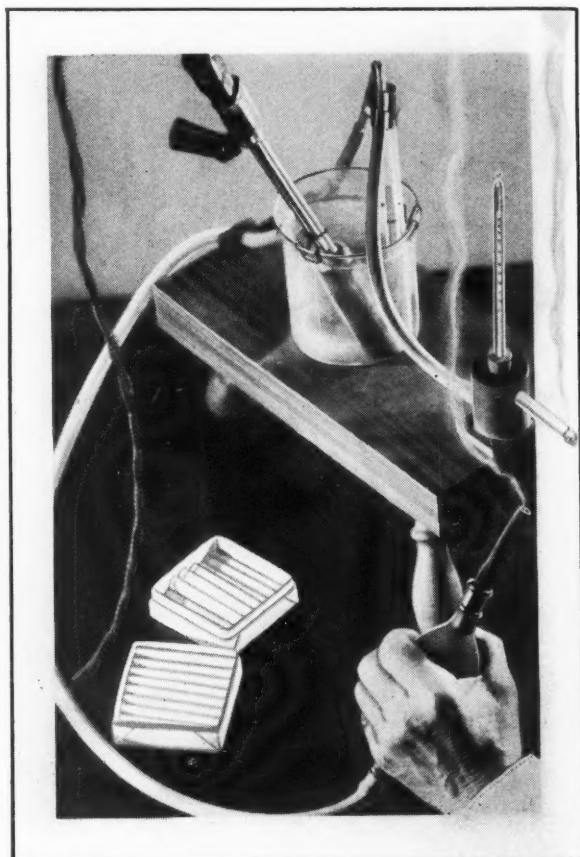
The first selection was the product. A year before, in 1927, Axton-Fisher had acquired patents covering a "mentholating" process for making ciga-

are liable to find their throats pretty sore and their voices pretty raucous, it was determined to concentrate on this part of the market. Throat workers, such as singers and actors, and nerve workers, like newspaper men, also became Spud's objective.

The difficulty here lay in the realiza-

BY  
MICHAEL  
STEPHENS

*This ingenious bit of apparatus was devised by Otis Kenyon, of Kenyon & Eckhardt, to prove that Spud cigarettes are cooler than competing brands. The cigarette is "smoked" by means of suction created through pressure on the bulb in the operator's hand.*



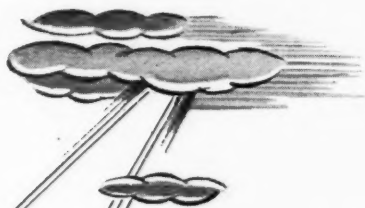
rettes easier on the throat. Under this process the company brought out its Spud brand and promoted it as a good smoke for troubled throats.

But the market potentialities among cold, flu, hay fever and asthma sufferers were relatively small and the use spasmodic, and dealers soon overstocked. When sales began to lag, late in 1927, Kenyon & Eckhardt were appointed. They immediately suggested that the "medication" aspects of the product be dropped in favor of "menthol cooling," at least until it could be determined whether or not Spud could be accepted as a "regular smoke." Because "chain-smokers" who consume more than a package a day

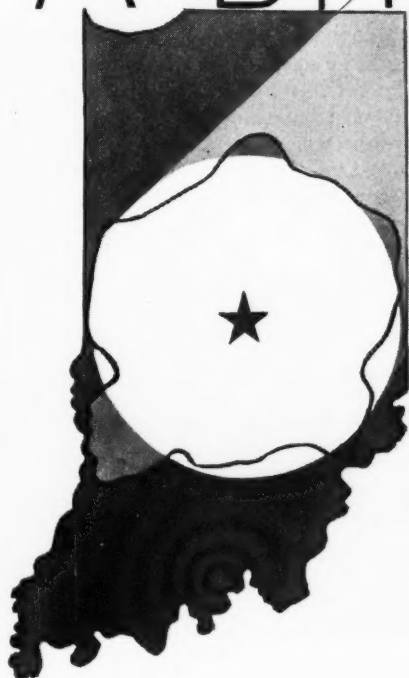
tion that no smoker would change to Spud except for *cause*. Smokers are creatures of brand-habit. There had to be a reason to get them to try the new product. They had to be induced to try it long enough for the menthol taste to wear off and the tobacco taste to wear in. To make them converts as smokers, Axton-Fisher felt, they would have to be persuaded to smoke Spuds for a week. If they could catch their hare, the company felt, they wouldn't have much trouble cooking him.

The problem was one of getting people with temporarily raw or heavy throats to try Spuds as a relief and  
(Continued on page 75)





# A BRIGHT SPOT *on the sales map*



THE SEVENTH FEDERAL RESERVE DISTRICT REPORT ON BUSINESS CONDITIONS covering the first five months of 1932 shows retail sales, as reflected by department store volume, nearer to normal in Indianapolis than in any of the other major cities in the district or in the district as a whole.

UNITED BUSINESS SERVICE designates Indianapolis as one of the seventeen best cities in the country in its July sales forecast.

SALES MANAGEMENT in its July 1 survey of business conditions, based on bank debits, gives Indianapolis a rating 15.6 per cent above the average for the country.

The stability of the Indianapolis Radius . . . the fact that it can be thoroughly covered for a single advertising cost by The News . . . makes this market a bright spot on the sales map that can be economically and profitably cultivated NOW.



THE  
**INDIANAPOLIS NEWS.**

New York: DAN A. CARROLL, 110 East 42nd Street

Chicago: J. E. LUTZ, Lake Michigan Building



*High styling strengthened prices and enabled Cooper to penetrate more of the higher class outlets.*

## Coopers Glorify the Sweatshirt —and Glory in the Turnover

Underwear wasn't doing any too well. The depression had put wrinkles in it. A. R. Kneibler, vice-president of Coopers, Inc., Kenosha, Wisconsin, for years basking pleasantly in the warmth of a world-wide business based on the "closed crotch" idea, was sitting in the smoking-end of a Pullman car.

A carload of college boys, returning home for vacation, trooped in to wash up. One after another they slipped their shirts—right down to the torso. And not one of 'em had on an undershirt.

"A spot for an underwear manufacturer to find himself in," mumbled Mr. Kneibler to himself. And then he began to ask questions.

Soon it developed that the youthful collegians were in revolt against the old-style underwear. Nothing sporting about form-fitting, closed-crotch union suits. No color, no gaiety, no beauty, no *appeal*!

"We wear only shorts," they said. "It saves laundry bills, too."

Mr. Kneibler came home from that trip scratching his head. Out of that scratching developed what is known as the "Beachshirt." It is a colorful thing; made of underwear materials, styled so that it replaces the outside shirt. It comes in a sweet assortment of bright summer hues and it's getting a big sale this summer among college men, campers, tourists, bathers.

Coopers, Inc., began to hunt further. An athletic supervisor at the University of Chicago dropped this to a Coopers

investigator:

"The sweat shirt is an awful thing. It has no style. It shrinks all out of shape; worse with every washing. It is made only in drab, dirty color. College men hate it."

Coopers men called at a number of furnishings houses to purchase sample sweat shirts. This was the average conversation:

"I'd like to see some sweat shirts."

"Where are the sweat shirts, Bill?"

"Oh, down in the basement—on the second shelf."

After a trip below the shirts would come up. The clerk would say, apologetically:

"Seventy-nine cents."

So Coopers went to work to glorify the sweat shirt. Soon a line was brought out, in a variety of colors, fitted as carefully as the best sweaters, with turtle necks instead of the old square neck holes. Good cuffs were put on them. Colors were made fast. They were packaged in cellophane.

And the new glorified sweat shirt hit the windows and the counters. More, they sold—not for 79 cents but for \$1.25 and they sold faster. The sweat shirt had lost its shame.

These incidents set the board of strategy of the ancient and honorable house of Coopers to thinking.

"Time to use our noodles," said they. So the noodles were put to work.

"Olympic Games, an athletic year!" someone suggested. "Athletic effects, vagabond effects, snap, dash, color—mix 'em up," said someone.

Gradually the party platform of Coopers, Inc., for 1932 was written. Boiled down it was this:

1—Merchandise must be styled, for the stocks of the merchants are filled with cheap, unlovely, prideless stuff dumped on the markets.

2—New ideas must be developed all down through the line for we've got to prove to the merchant that we've got something that will sell faster, better and at more profit than the junk he's loaded up with.

3—Smart packaging must be offered because we've got to make the windows and the counters and showcases. We've got to package our stuff so that only competing goods will be relegated to the shelves and the basement storage.

So came a rebirth of the line. The new cotton beachshirt packaged in cellophane sells for 75 cents. It is colored in black, orange, green, white, heather, etc. Instantly came demand from clubs and groups—groups and teams and friendly pals "uniformed."

Came also, among other things, the "book box." This is a neat, flat package. It opens like a book. Shorts and a shirt. One side, inside the "book cover," shorts; on the other side a shirt. Both back of cellophane. Neat, tasty color-effects. The book box looks well on the counters. It looks well in window or showcase. A small sample of the material is clipped on for "feeling."

You take such a box home with pride and lay it in a drawer with pride. It costs a little more to do it that way but sales do boom.

For a couple of generations the public has looked upon Coopers underwear as a substantial, reliable line favored specially among the small-town and rural populace. Redesign and repackaging, officials told a representative of SALES MANAGEMENT who visited the Kenosha plant recently, have done many things. Among them:

Wider dealer acceptance; numerous new accounts opened.

Penetration of higher class outlets.

Sales department given new vigor and ambition.

Prices on stylized over staple lines better; larger margin of profit; price competition not the deciding factor.

"We have learned," said Mr. Kneibler, "that when conditions are such that a salesman can wear his legs down without getting orders he can still get them with his head. But to give him a chance to use his head we had to use our heads at the factory. We decided that the time had come to put brains in the underwear business. We are licking the depression with new ideas."

# BRIGHT SPOTS

IN the first issue of each month SALES MANAGEMENT publishes under the above heading facts and figures on the largest cities (those over 100,000) where current **business activity** equals or exceeds the national average.

As the vice-president of one large company wrote us last month, "This seems to be just what we have been looking for. It shows us what we have needed but have been unable to obtain elsewhere. By knowing where business is best NOW we can plan our sales and advertising intelligently."

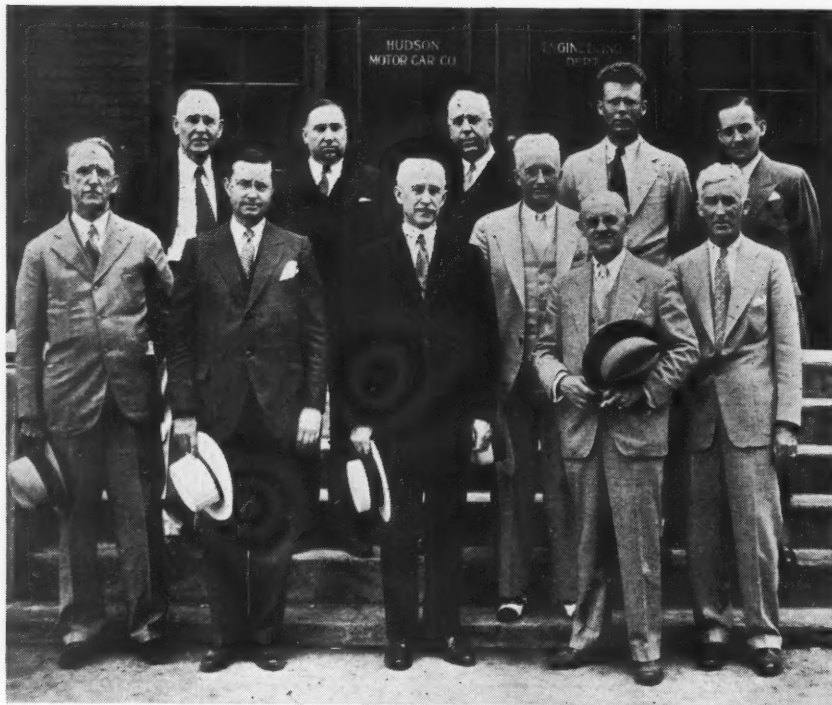
Space limitations prevent us from publishing data for all of the 260 cities for which the figures are available.

But as a special service to those who want this complete list we are furnishing advance mimeographed copies monthly at a nominal charge. The records for the individual months of April, May, and June, with three-months average, will be mailed on June 20.

*This special service may be billed and paid for by the month at one dollar per month, or \$10 annually in advance.*

**SALES MANAGEMENT**  
420 Lexington Avenue    New York





*Almost as prominent as a movie preview*

## Hudson Will Introduce New Essex August 1; May Undersell Ford

The new offering of the Hudson Motor Car Company, which is to appear August 1, will not be a midget (as reported in SM June 15), but a full-size, six-cylinder car—a new addition to the Essex line. From a marketing standpoint, its most significant feature is that probably it will sell for less than the new Fords.

Its physical and operating features have proved significant enough to attract some of the nation's most noted engineers: Orville Wright, aviation pioneer, appears front-centre in the above group. To his right is Roy D. Chapin, chairman of Hudson's board, and at the reader's right in the front row, Gar Wood, holder of various speedboat records. The first three in the back row are M. L. Brittain, president of Georgia Tech; Vincent Bendix, whose corporation (an affiliate of General Motors) has developed numerous automotive and aviation appliances; and Paul W. Litchfield, president of Goodyear Tire & Rubber Company.

Meanwhile, J. E. Fields, president of Chrysler Sales Corporation, informs this magazine that Chrysler, pleased with Plymouth's progress, has no intention of introducing a midget at this time. The development of midgets by General Motors and Continental Motors has been confirmed, but marketing plans are still indefinite.

## Pare Down Advertising to Maintain Dividend? Colgate Says "No!"

From two standpoints, advertising comes before dividends, Colgate-Palmolive-Peet Company, Chicago, has decided in cutting its quarterly payment on the common from 62½ to 25 cents a share.

In the first place, explained Charles S. Dewey, vice-president in charge of finance, by maintaining advertising at present levels the company intends to hold its position among the "Big Three" (Procter & Gamble and Lever Bros. being the others) in the highly competitive soap industry.

And in the second place the company believes that if it did not spend money now to keep consumer goodwill, its chances of keeping stockholder goodwill through larger earnings in the future would be considerably reduced.

"Over a long period and by the expenditure of large sums of money, the company has placed its brands in the forefront of the toilet soap, laundry soap and toilet article industry," Mr. Dewey told stockholders. "The management believes that active business and prosperity in due course will return to the country.

"For this reason the company contemplates continuing its advertising campaigns on a basis that will maintain its position in the industry and the reputation of its advertised brands in the minds of the consuming public."

## Contest-a-Month Plan Keeps Quotas Cracking in Northwest Utility

"Results to date indicate that we shall make all quotas set," A. E. Schwartz, sales executive of Minnesota Northern Power Company, Minneapolis, whose 1932 sales plan appears on page 61 of this issue, reports in a memorandum outlining the company's "contest-a-month" program.

"In January," Mr. Schwartz adds, "we merely cleared our stock by a regular inventory mark-down and an additional 5 per cent commission on this merchandise to our salesmen. Then, in February, all prizes earned for 20 days were given to the salesmen's wives and sweethearts—the quota being set by the salesman and his sweetheart. Most of them were made.

"March was devoted to 'Lucky Days.' A special cash prize on all items was offered for a week. The sales force was notified by double postcard as to which appliance was being featured. Each man returned half of his card with a record of his sales—high man winning the 'cash.'

"April—'Hard Nut Contest.' Each man sent in a list of 'ten hard nuts' that had not been closed and that he had worked on for at least sixty days. He then received a bag of ten nuts, and as he closed each 'hard nut' prospect he cracked a real nut at a sales meeting. At the end of the campaign he was penalized for the nuts he had not cracked, and given a chance to pick a prize out of a grab bag for each nut he had cracked. Some of the prizes were humorous, others worth while."

Though detailed data on appliance sales are not yet available for 1932, Mr. Schwartz points out that similar contests conducted last year went over quotas in almost every instance, and with small investment in merchandise and cash prizes on the part of the company—the condition of the market depending chiefly on crop conditions. A "New Customer Campaign" added 526 new customers to Minnesota Northern lines in six weeks—bringing about an increase of 300 per cent above the normal—for the price of three straw hats.

"It must be remembered that our organization is small," he explains, "with barely 30,000 meters, gas and electric; 44 stores and 35 salesmen. Quotas, of course, are set accordingly. Our organization is handled at long distances, 400 to 1,000 miles. Some of our men do not attend sales meetings more than once a year. The only method we have to keep everybody on their toes is the contests."

# One Company Orders 284 Copies...

UPON the first announcement of a new book outlining the actual sales policies and methods which the founder of the National Cash Register Company worked out to keep his sales mounting steadily through good times and bad, one well-known company ordered four copies at once for their officers. A few days later they ordered fifty more for their "key" men. And now—for the training and development of their entire sales force—comes their order for two hundred and thirty additional copies of this sales-building book, just published—

## The Sales Strategy of JOHN H. PATTERSON

*Founder of the National Cash Register Company*

The answer is not hard to find. Reproduced below are a few "samples" of the whole-hearted endorsements and comments which this interesting and useful book is already receiving from every part of the country.

### An Advertising Journal Reviews It

"Sales executives baffled by present-day selling conditions will find of unusually timely interest and value the sales policies and selling strategies of this outstanding sales strategist."

### Executive of Baltimore Concern Writes:

"... interesting and stimulating."

### The Advertiser of Detroit

"His (Patterson's) selling policies during the strenuous days of 1893, 1907, and 1921 are today of particular significance."

### New York Evening Post

"This book is at once a business biography and a sales doctrine... an interesting and instructive book."

### From a Publishing Executive

"... splendid. A very worth-while and timely contribution to business."

### Barron's—The National Financial Weekly

"Sales executives who feel the pressure of selling conditions in hard times should find valuable suggestions..."

### Editor and Publisher

"When you read it you realize what a leader is and see the meaning of the constantly repeated slogan of our economic critics today—'We need leaders in business!'"

### From an Office Equipment Manufacturer

"I want to congratulate you on your initiative and resourcefulness in bringing to the business men of America your splendid book on 'The Sales Strategy of John H. Patterson.'"

### An Insurance Company Writes

"... in demand by our Home Office and Sales Force. They like it."

### General Sales Manager of Electric Appliance Manufacturer

"I have read it about half way through and have found that it contains some very constructive ideas."

### Sales Executive of Industrial Company

"Your just published book, 'The Sales Strategy of John H. Patterson,' is marvelous. It is the most pointed exposition of the kind of thinking and intelligence the business world needs now to bring it out of the flat spot which is so loudly blamed onto the depression."

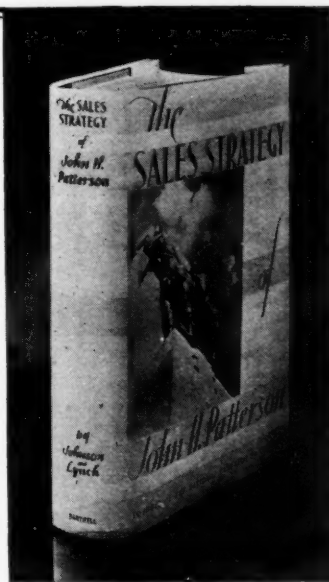
**Price—\$3.50 on Approval**

*Published by*

**THE DARTNELL CORPORATION**

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394 pages, size 6 x 9, 32 plates, cloth

by ROY W. JOHNSON  
and RUSSELL W. LYNCH

Both authors have a rich background of experience. Mr. Johnson, for many years on the editorial staff of "Printers' Ink," later eastern editor of "Sales Management," is a well-known writer on sales and advertising subjects. Mr. Lynch for eighteen years was a member of the N. C. R. sales organization with the opportunity of pulling into operation the Patterson sales strategy.

### Typical Chapters

Five Rules for Keeping Up Sales in a Panic Year  
The Tablet That "Jumped Up and Down"  
The "Thief Catcher" Idea Stirs Up a Hornet's Nest  
Salesman Lockwood Becomes Sold on Advertising  
The First Requirement of a Good Sales Executive  
America's Greatest Sales Experiment Begins  
The Silver Dollar Demonstration Helping Salesmen Over the Closing Hazard  
A Best Way to Approach Every Prospect  
The Exit of the "Natural Born" Salesman  
Where Patterson Found His Best Salesmen  
Four Steps to Organized Thinking Making Salesmen Successful  
A House Organ That Played a New Kind of Tune  
A New Sales Technique Is Born The Pageant That Beat the Panic of 1921  
A Lifelong Advertising Policy Takes Root  
Birthday Book Strategy  
One Big Don't and a Lot of Little Don'ts  
Selling "Functions" Keynote of N. C. R. Policy  
Making the Organization Drive Itself





*The Emporia of St. Paul "mobilizes" for Cotton Week*

### Cannon Mills Announce Seven Best Displays

Cash prizes totaling \$495 for the best window displays submitted in photograph form by stores between March 1 and June 1 have been awarded by Cannon Mills, New York, in its Window-of-the-Month Contest.

The \$100 March prize went to O'Connor Moffatt & Company; \$100 April prize to Raphael Weill & Company, both of San Francisco. A \$200 special May Cotton Week prize was divided, because of tie, between the Emporium, St. Paul, and Alms & Doepke Company, Cincinnati. "Honorable mention prizes" of \$35 each were given to the Shepard Stores, Boston, and to B. Nugent & Bros., St. Louis, and a special prize of \$25 to Gloude-mans-Gage Company, Appleton, Wisconsin, for a display considered particularly good for a store located in a smaller community.

Frederic A. Williams, vice-president and general manager of Cannon Mills, Edward R. Dunning, N. W. Ayer & Son, and Irving C. Eldredge, display manager of R. H. Macy & Company, picked the winners from more than 100 entries. Cannon Mills reimbursed the display managers for costs of photographs submitted, and also provided on application lithographs, streamers and other display material.

### Trade Executives to Meet

The American Trade Association Executives will convene at the Hotel Ambassador, Atlantic City, September 14-17. Warner S. Hays, of the National Slate Association, Philadelphia, is president.

### Berries, Too, Can Be "Designed" to Sell

A group of farmers in the River-head section of Long Island have recently disposed of 200,000 quarts of strawberries at prices ranging from two to five cents above those of competitors by wrapping them in individual quart baskets with transparent paper top and shipping them in paper-board cases instead of the prevailing wooden crates, reports the Robert Gair Company, New York, packaging engineers. The plan probably will be extended to other farm products.

Last spring the group, headed by Heinrich Meyjes, owner of the Manhasset Farm, faced unusual difficulties in disposing of their product at a profitable price. It looked as though berries in the New York City market were going to be plentiful—and cheap. So the group experimented with the individual basket and transparent paper top. Stores displayed them, and customers liked the looks of the "shiny" red berries against the background of the green corrugated case. And the berries reached the table in better condition.

In addition, a brand name was printed on the case.

### Making the Story Heard

Metropolitan Motion Picture Company of Detroit has started an Electro-Acoustic department, under the direction of Edward A. Ash, to supply sound amplification and Public Address Systems for indoor and outdoor meetings. Equipment ranges from a new portable system, as a sound supplement to visual programs, to amplification systems for auditoriums, trucks, airplanes.

### More Calls and Contacts Help Anheuser-Busch Lick Buyers' Market

A decentralized sales plan, coupled with a 25 per cent increase in the sales force and intensive advertising in 800 newspapers throughout the country—by increasing contacts with the trade and the consumer—is enabling Anheuser-Busch, Inc., St. Louis, to make progress with its Budweiser Malt in the present "buyers' market."

Decentralization was inaugurated last year with the establishment of five regional sales divisions, in New York, Chicago, St. Louis, Kansas City and San Francisco, explained Albert Nierdieck, Anheuser-Busch sales executive. "Realizing that this year we could count less on repeat orders and consumer demand," Mr. Nierdieck added, "we have increased the number of our contacts with dealers. And the work of our own sales force is supplemented by that of advertising agency field men and local newspaper representatives, who, by personal calls and direct-mail, help to keep the dealers constantly informed of what we are doing to help them and of how they may help themselves."

Carrying the sales office into the field, each division is a unit in itself with the regional sales manager in full authority. He hires his own men, uses his own ideas, manages his district as he thinks best, and is responsible to St. Louis only on matters of company policy—and for results.

"Each divisional sales manager can cover his entire territory seven or eight times a year," Mr. Nierdieck pointed out. "He gets to know it—and his customers thoroughly."



*Sbeer frocks for berries*



## Promotional Selectivity Keeps Spud Up in a Declining Market

(Continued from page 68)

then to keep on buying and smoking them because they had learned to like them, and to offer and recommend them to their friends not for the menthol but for the tobacco.

So Axton-Fisher—or rather Kenyon & Eckhardt—prowled about to determine those seasons and sections of the country where hay fever, asthma and other allergic diseases are strong. Eighty-five per cent of all hay fever, it was found, is in some fifteen states east of the Mississippi and north of the Ohio (which coincides pretty much with the states that have 85 per cent of the population). This section has three hay fever epidemics annually—the major season being August 15 to October. This is the season in which, as a detailed report said, compositae pollinate. The principal irritants here were found to be Timothy grass, rag-weeds and oak. Other sections have a lot of it also, however—southwest Texas continuously from December through September, and southern California and all the states of the Old South have three stiff sieges of it. Wind-borne pollen is chiefly responsible. It was found that 8,500,000 people suffer from allergic disease—including 1,500,000 smokers. The fact that there are now more than 2,000,000 Spud smokers suggests how far Spud has traveled—not as a throat-ease but as a cigarette. But we must get on with our story.

The company started a series of small "blind" advertisements in newspapers in the affected areas. Spud as an enjoyable smoke was relegated to the self-interest of the reader. "Hay Fever?" asks one caption in fairly large type, two columns wide. And then the ad replies, in much smaller type: "Those who suffer from hay fever will find that Spud . . . the menthol-cooled cigarette . . . can be smoked and enjoyed when no other cigarette can."

"The newspaper advertising does the missionary work," explained Mr. Helck. "The magazine advertising keeps them in the fold and increases the size of the fold of those who smoke primarily for coolness and pleasure. 'Stay mouth-happy with Spud' is the slogan. The magazine advertising, in full-page space in a half-dozen larger publications, takes about nine-tenths of our appropriation, but the little newspaper advertisements are potent too. The one would not be effectual without the other.

"We have increased our advertising appropriation consistently in the last four years—but the cost of the advertising in its relation to corporate profits is among the lowest in the industry. The increase in advertising has come from increased business.

"When we say Spud is cooler, we can prove it. Otis Kenyon of Kenyon & Eckhardt devised a mechanical device for testing the heat in cigarettes. The device (picture in this article) has 'smoked' thousands of them in the last four years. It has shown Spud to be 16 per cent cooler than the average of the others.

"We test our copy and other sales methods as carefully as we test our product," Mr. Helck explained. "For the last six months Daniel Starch & Staff has been checking up on the effectiveness of our magazine advertising. The cost per time in one month's advertisements, for example, on the basis of 'advertisements seen,' was \$0.002; on the basis of 'advertisements read completely,' \$0.010.

"We also run selective campaigns, both of advertising and sampling. We advertise to doctors in the *Journal of the American Medical Association*, and sample them, because we believe their suggestions to patients are valuable. Through the *Billboard* we reach actors. We sample newspaper syndicate writers. These people are nerve or throat workers, and often both. They are also people of some influence—people whose tastes are emulated. But we never sample the same person twice.

"These are economy times," added Mr. Helck—but Axton-Fisher was learning to economize "efficiently" before the depression began. "We are trying to apply engineering principles to advertising; and an engineer is one who not only can build a bridge so that it will be strong enough but will use only as much steel as will be needed. Our promotional dollars are our bridge to the consumer. We don't want to be niggardly about them, but we want to make every one of them work.

"I think this analysis of our work may prove that they have."

Jay F. Vandeventer, executive vice-president, has been placed in charge of lubricating sales of the Pennzoil Company, Oil City, Pa. W. S. Zehrung, formerly of the sales engineering department, becomes sales manager, and B. X. Phillips and H. M. Jones, assistant sales managers.

The British-Thomson Houston electric refrigerator, heretofore imported from America, is to become the first American refrigerating unit to be manufactured in Great Britain. B.T.H. is in affiliation with General Electric Company.

## Selling Spirit Undaunted Wrigley Marches On— an Interview with "P K"

(Continued from page 59)

a few tents and shacks and a handful of people on it. Water was barged over from the mainland.

"We've spent more than \$7,000,000 there since getting it; for improvements. We have built a good grammar school and a high school; 800 children in the schools. We have an 8-story casino; ballroom big enough for 3,000 couples without a post in it; a motion picture house that will seat 2,000; water works; an electric power station.

"We have fine buildings on the island, of tile and stucco, Spanish style. We make our own tile on the island; make art pottery. We put in a furniture factory to make our own furniture.

"Once the food merchants on the island boosted prices until Dad felt that our Mexican laborers were getting gypped. He put in a commissary for them and sold at cost until the merchants came to reason. Once the barbers got their heads together and boosted prices too high. Dad felt that they were gypping visitors to the island. He told them to get in line or he'd put in a barber shop and give away shaves and haircuts.

"He insisted on fair treatment for everyone. He didn't want the island to be a hold-up place. That, again, was Dad's way."

And that's why I say that the simple, straightforward, common sense of William Wrigley, Jr., still lives. P. K., chip of the old block, carries on.

## Hawaiian Trade Improves: Frocks from Cane Sugar?

Coincident with the first ocean shipment of Canec insulating board, made from sugar stalks by the Hawaiian Cane Products, Ltd., at a new \$2,-500,000 plant there, a survey has been undertaken to determine the possibilities of bagasse (shredded cane after sugar is extracted) for making rayon. Hawaiian bagasse is said to produce better rayon than Japanese wood pulp, now extensively employed.

Incidentally, the *Honolulu Star-Bulletin* points out that shipments of Hawaiian sugar in the first four months of 1932 were 36,412 tons greater than in the same period of 1931—while those of canned pineapple to the mainland rose 442,211 cases.

# The Foreign Language Field— A Big Problem and Prospect

(Continued from page 63)

	Milwaukee Germans	Total U. S. A.
	%	%
Under 10 years	16.6	19.5
10 to 14	8.3	9.9
15 to 24	18.6	18.3
25 to 44	34.4	29.4
45 to 64	17.4	17.4
Over 65	4.9	5.5

The purchasing power of the foreign-born varies to some extent with their nationality, and the nationality determines to some extent the occupation. Jews, for instance, are usually in trade, Swedes on farms. In a recent survey of electrical appliance consumption, however, it was found that the Northern and Central Europeans here bought about four-fifths as much as native Americans.

Certain countries abroad are under the conflicting influences of stronger neighboring countries. These influences are felt in the buying and living habits of their people in this country. Russia is a tea-, Germany a coffee-drinking country. Poles in this country, born under German and Austrian influence, continue to drink coffee; while those under the Russian influence drink tea.

Certain American manufacturers who have presented the "right" kind of products for a certain foreign-language market, have had difficulty because of name or package employed. More often the product itself is to blame. The Italians did not take very well to Heinz spaghetti in cans; preferred it their own way.

Many manufacturers have run into trouble by not consulting the dietary and other restrictions imposed on orthodox Jews—which are as strong as fish-on-Friday with Catholics. A few weeks ago a lithographer prepared what he thought to be an unusually effective window card for New York dairy stores on the food value of milk. He showed in pictures the relative nutrition in a quart of milk as compared with other products—such as ham and fruit and whatever. None of the dealers used it. He discovered later that most of them are Jews, and much of their trade is Jewish. And Jews are not permitted to eat pork, nor to partake of milk and meat at the same meal.

General Baking Company has been promoting Bond bread in large space in Jewish orthodox papers. The wrapper on the bread says that it is

made with condensed milk. These Jews may use condensed milk, but if they eat that kind of bread at a meal they cannot have meat. Six hours must elapse between the eating of milk and meat. Lard for shortening and for greasing pans also is taboo—which is one reason Crisco is making progress among these people.

Knowledge of habits and mental attitudes has a lot to do with progress in foreign-language markets. The Pabst Corporation recently prepared an advertisement for foreign-language newspapers on the stimulating qualities of its Puritan malt. It was illustrated with an athlete going through his paces. To native Americans it would have been a good advertisement, but it antagonized many foreigners. When the average Continental worker is through work he likes to rest and eat and drink, and seek less strenuous amusements. This is not true, however, of Germans. In Milwaukee alone, for example, the German population has twelve organized sports clubs.

Proprietary medicines go over well among these people. Lydia Pinkham's vegetable compound, for example, is a best seller. Cough medicines, digestive preparations, liniments are popular too. In the old country a person does not send for a doctor unless it is absolutely necessary. He goes to a pharmacist instead. The pharmacist is more than a soda-jerker—more even than an accurate compounder of prescriptions. People bring their aches and pains to him; he diagnoses and prescribes, and then brings a convenient bottle down from a shelf. The habit of getting their cures from the shelf continues here. The fact that they regard doctors as expensive has something to do with it—though this also has something to do with the relatively high death rate among them.

Infant mortality is especially high. Large families in congested quarters, with inadequate medical attention, reduce the number of children in early years and tend to make the parents more attentive to those who survive. They buy a lot of things for these children—expensive baby carriages, some with pneumatic rubber tires.

For reasons of economy, and for large families, they do not buy so many new small cars as native-born Americans of the same income groups. Instead they go out to the used car

lots and pick up big second-hand models. They know how to put them into shape. Some of them are machinists; almost all are mechanically inclined. They can grind valves and they understand the conditions that produce carbon, and are pretty careful about the gasoline and motor oil they choose.

Economy prevails also in the selection of clothing and shoes. They seek durability and comfort more than style. Prior to the expansion of Bata of Prague, shoes in Europe were made to order. Foreign-language people here buy their shoes ready-made, but they still seek comfort and durability more than style or appearance. In a survey recently completed for the Scholl Manufacturing Company, foot remedies and appliances, it was pointed out that 70 per cent of all foreigners now residing in the United States are employed in occupations that require standing. Dr. William M. Scholl, president of the company, previously had found that long standing was a principal cause of foot ailments. Starting with Detroit, he is seeking to enlarge his sales in these markets.

There are difficulties in effecting literal translation of slogans and American colloquialisms into foreign languages. The slogan, "It's Toasted," for example, could be changed in some languages to "It's Roasted." Actually, it is printed in English as part of the name Lucky Strike. Our slang has no exact European equivalent, and even many of our standard words have other meanings in translation.

Of course, simple slogans, such as Maxwell House's "Good to the Last Drop" and Packard's "Ask the Man Who Owns One," are readily translatable, but Kellogg's "It Warms the Cockles of Your Heart" had to be changed to more prosaic form. A few months ago Camel cigarettes used the expression, "Blow yourself to a cigarette." In some languages it became "Treat yourself to a cigarette." In Italian, however, it was "*Abbandonatevi al piacere di una sigaretta*," or literally, "Abandon yourself to the joy of a cigarette," while the Russians and the Jews read, respectively, in sentences of three and five words, "Enjoy yourself with the pleasure of a cigarette."

With the right product, knowledge of the market and attack, however, manufacturers can make a surprising lot of progress. Last Summer National Biscuit Company launched a campaign in Chicago, on soda crackers, an English assortment, and a couple of other products. At the start four English-language and four foreign-

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language newspapers were used. The foreign response relatively was so much stronger that the number of these papers was increased to nine, while one of the English-language newspapers was dropped.

A year or two ago an analysis of the sales of nine of the H. J. Heinz 57 varieties, as compared with all competing brands, was made among people of nine language groups in the five boroughs of New York City and ten cities in the Metropolitan marketing area.

Among families reading German newspapers, Heinz did relatively best with beans, worst with olive oil.

Heinz tomato catsup, on the other hand, led all competing brands among the Italians; but the olive oil percentage was even lower than among the Germans. It appears that Italians like to get their olive oil from the old country, or from Italian concerns here. All the American concerns combined provided less than 8 per cent of the spaghetti. The Germans eat more prepared cereal breakfast foods than the Italians, and the Jews are quite fond of the cold rice breakfast foods. The Norwegians and Swedes there like Heinz breakfast foods well enough, but the Hungarians and the Poles hardly at all.

Foreigners, like Americans, follow the leader; but foreigners here do not usually follow American leaders. Testimonials from Clara Bow or Mrs. Oliver Harriman do not carry much weight with them. Publishers, actors, authors sway their own nationalities. If Paderewski should endorse Lucky Strikes, every Pole in America would smoke them.

Advertisers who know the foreign-language market endeavor to have the figures in the advertisements resemble the group they are addressing. Coca-Cola's Buffalo Poles on a picnic are quite severely Polish. Coca-Cola has found, however, that by making the outline simple, the nationality can be changed without too much trouble. A picture shows a Jewish mother serving bottles of Coca-Cola to her husband and little son and daughter. Candles are on the sideboard below the portrait of an elderly man with white beard. But the facial characteristics of Jews and Italians are so similar that with a few alterations, the Jewish picture becomes Italian. The father's mustache is turned up, the daughter's hair changed a little, the mother given ear-rings. The candles are removed and the portrait of the patriarch changed to that of Enrico Caruso. That is all.

Little things, of course, but important in selling the foreign-language market.

## Yes Sir, Mr. Bill, they're Prospects all right, but no Problem in Milwaukee . . .

My Dear Mr. Bill:

Have read the advance proof of the feature story "The Foreign Language Field—" with a great deal of interest.

Of course, there are several situations brought out in the story, that do not apply to the German-American market, especially not the well known "Germanic" market in Milwaukee and Wisconsin. You may be interested to know that of Wisconsin's total population of 2,939,006 people the total foreign born and their first generation number 1,477,367, of which the Germanic population (born abroad and the first generation) number 682,711 people. This is well over one half million people of German culture, instinct and understanding. Of this German population only 128,289 were born abroad.

In Milwaukee alone over 50,000 Germans are of foreign birth, and 125,000 additional members of their families read and speak German and are directly or indirectly influenced in their habits, customs, desires and preferences to follow their German newspaper. In spite of the dwindled immigration brought out in your story, Milwaukee during the past ten years actually showed an increase of 1,016 German born population.

A number of the characteristics and customs of the foreign born, brought out in the story, do not apply to Germans. In the German market there are no restrictions which make it necessary for a manufacturer to label merchandise different than is customary. We have no difficulty with slogans, or translations.

A reference was made in your article to the Pabst Corporation in one of their campaigns on Puritan Malt Syrup. The sporting feature copy which appeared in the MILWAUKEE HEROLD was successful. German folks in Milwaukee are typical sport fans. Baseball, football, boxing, wrestling, soccer ball, are major events in our city. Milwaukee is known as the best baseball city in the American Association. The MILWAUKEE HEROLD, every evening, and the MILWAUKEE SONNTAGSPOST, our Sunday issue, publish a full page of sports daily, edited in German. Sport writers of national reputation, as well as our own local staff of competent writers cover these events daily. Milwaukee has twelve or more organized German sport clubs, and there are similar sport clubs in most of the smaller cities in the state.

The MILWAUKEE HEROLD and its Sunday issue, the MILWAUKEE SONNTAGSPOST, occupy a unique position among foreign language newspapers. The HEROLD is a full fledged member of the Associated Press and also the A. N. P. A. Its editorial influence is statewide. The leading local advertisers, department stores, specialty shops, general advertisers and national advertisers, look upon this newspaper as a metropolitan daily covering an important market within a market, which cannot be covered in any other manner. A number of outstanding national advertisers look upon the German market as an exceptional responsive market to the extent of their conceding that the German newspaper in this city is essential, and in many instances to the exclusion of all other foreign language newspapers in the country. Undoubtedly, this record speaks for itself.

Just recently, the HEROLD completed a "fact-finding survey" on characteristics of population in Milwaukee and Wisconsin, which has attracted nationwide attention among advertisers and agencies. Copies are only available to interested parties. Requests may be directed to the offices of our representatives, Powers & Stone, Incorporated, 360 Lexington Avenue, New York City; A. T. Sears & Son, 520 North Michigan Avenue, Chicago, Illinois, and any of the R. J. Bidwell Company offices in San Francisco, Seattle, Portland and Los Angeles, or by writing direct to this newspaper.

With cordial greetings and in sincere appreciation of your many courtesies, I am

Yours very truly,

THE MILWAUKEE HEROLD  
*D. J. Suttman*  
ADVERTISING MANAGER

ICB:MP

*Business in Milwaukee for the second quarter of 1932, based on bank debits, is 4% ABOVE the average in cities of the U. S. A.  
This German market is stable, sound and responsive.*



# C o m m e n t

**R**EDUCING DIVIDENDS TO CONTINUE ADVERTISING: The recent announcement that the Colgate-Palmolive-Peet Company decided to reduce the dividend on its common stock in order to continue national advertising full blast was refreshing and encouraging information. The fact that the explanation of this decision was made by Charles S. Dewey, vice-president in charge of finance, is significant because throughout the period of general depression the financial men who have recognized, understood and fought for advertising as a marketing force have been pretty nearly as scarce as hen's teeth. The fact that this decision was reached after the matter had been thoroughly thrashed out at a meeting of the Board of Directors is also highly significant. Too often well-planned advertising programs, which have been worked out with great care by sales executives, have died through executive veto or directors' veto when the veto has been applied by men with little or no real understanding of modern advertising and the influential part it can be made to play in successful marketing under adverse conditions. . . . In many companies the senior officers are men who possess for the most part a financial or production background and who are, therefore, very poorly qualified to pass upon the marketing merit of this or that advertising plan. As long as quantitative production catered to a seller's market, such management did not tend to interfere with advertising efforts because lucrative profits tended to result in substantial advertising appropriations. Now, however, that selective selling in a buyer's market has become the rule rather than the exception, it is extremely vital that chief executives and boards of directors either become intelligently posted on advertising as a marketing force in their business, or else that they approve the recommendations of the company executives who are by experience and training and by daily contact well qualified to make advertising decisions.

**G**IMBEL DOES A JOB: Probably no one in the United States is closer to daily sales than those who are conducting the affairs of leading department stores. The fact that department stores are the largest users of newspaper advertising and have been so over a long period of years proves beyond question of doubt that department stores have turned advertising from a theoretical promoter of sales to an actual producer of immediate business that reflects itself in the cash register. . . . Last month Pittsburgh made some real history, with the principal credit going to Gimbel's. This company decided to increase retail sales by extraordinary newspaper advertising. A recent issue of the *Pittsburgh Press* ran 72 pages in folio and contained 104 columns of Gimbel Bros. adver-

tising and 48 columns of another department store, namely, Frank & Seder. The copy stressed the fact that the upturn in business had arrived. The advertising of Gimbel's alone dominated sixteen consecutive pages, but with some news appearing on each page. Anybody who can obtain a copy of that issue of the *Pittsburgh Press* should do so and examine its advertising very carefully because it resulted in making a Saturday in June, 1932, the largest sales day in the history of Gimbel's store. The actual check-up showed that 20 per cent more people visited the store than on the previous record day. Other stores not involved in this campaign also reported more than regular business and declared that this unusual advertising resulted in the best Saturday business in months. While Gimbel originated the idea, the local Scripps-Howard newspaper played an important part in the successful execution of the plan and, incidentally, the *Pittsburgh Press* is now credited with having published on June 17 the largest weekday regular issue of any newspaper in the United States. Would that more of us could develop such methods for buttering one another's bread.

**I**NEVITABLE REFLATION: For months and months—and for what seems like a year—the reactionary element in the political and financial arena has blocked and delayed various efforts aiming to make reflation a fact instead of a hope. Just as fast as a plan was originated to beget reflation, a torrent of dissension broke out among the reactionaries and through subtle use of such ominous-sounding phrases as "fiat money," "uncontrolled inflation," "departure from the gold standard," "dishonest dollars" and "collapse of national credit," most of the efforts to accomplish reflation were nipped in the bud or crippled beyond recognition. In consequence, the people of the United States and the business interests of the United States have been forced to contend with a dollar which has been steadily rising in its purchasing power until we are dealing today with a \$1.67 dollar. . . . Failure to exercise vision has not, however, succeeded in thwarting the needed and highly necessary reflation. We are rapidly approaching the time when the government either must increase the currency issue or engage in substantial borrowings in order to finance its operations, both of which make for reflation. SALES MANAGEMENT, without hesitation, views this reflation movement as the forerunner of our next period of prosperity. It now seems likely that its effects will make themselves felt throughout the business world during the next six months. Reflation will not only bring a steadying of prices, but also the beginning of an upward movement in prices.

Ray Bill

## Make 'em New and Dress 'em Up: Only 530 Copies Johnson Plugs the Slump-Gaps Still in Our Stockroom . . .

For forty-five years Johnson's Wax was sold in the same old package and under the same old label. Then the Great Depression came along. Something had to be done.

So the board of strategy of S. C. Johnson & Son, Racine, Wisconsin, went into a huddle. New products were brought out, new labels began to appear and new sales methods, to some degree, were brought into being. The old label was cluttered up with printing, mid-Victorian art and gingerbread effects. The color-scheme was that of chronic jaundice. The object of the new label is brightness plus utter simplicity. Johnson's Wax and kindred products, insofar as the label was concerned, went poster.

The first labels under the new ideals appeared in February, 1931. For the next twelve months sales persisted, in the face of alarm, within one-half of one per cent of recent averages.

Considering that 1932 might be none too good the company is now offering four more new products:

1—Glo-Coat, a new floor finish that dries with a shine and needs no rubbing or polishing.

2—A new auto wax with a companion product, an auto cleaner. This is from a formula based on a wax never used before on a commercial product of the kind.

3—Mechanical device for applying wax to floors.

4—Sanding machine to be placed with dealers for rental.

"Many floors have become shabby," said an official of the Johnson company to a SALES MANAGEMENT representative who visited the Racine plant recently. "We plan to assist all better Johnson's Wax distributors to become better fitted to give real service to the public.

"They will be equipped to give complete floor servicing. They will stand ready to tell anyone who wants to finish his own floors just how to do it: explain every step. They will be ready to supply advice, materials and equipment.

"The floor sander, for example, weighs seventy-five pounds. It can be loaded into an auto and carried into the home by one man. The rental fee for the sander will probably be about \$5 a day.

"When we brought out Glo-Coat we shipped a supply to 30,000 dealers without order. We sent along a letter saying that we had confidence in the

product and its ability to earn profits. We said we did not want to take the time to send men around for orders. That would take months.

"We said we were taking care of their interest and advantages as much as our own and did not want them to take losses due to delays. Of these 30,000 dealers 93½ per cent accepted the goods, paid for them, and many of them thanked us for our action.

"This method of introduction gave us vast coverage almost instantly and cut down the costs of putting a new product on the market immensely.

"We accompanied the introduction of Glo-Coat with an advertising campaign in sixty-five newspapers in the major market centers. Within four weeks we received in the mail 70,000 dimes for sample packages."

Fifty years ago S. C. Johnson's business was the laying of parquet floors—the old, inlaid hardwood floors, usually put down in geometrical designs so favored in that day. Whenever he laid a floor Mr. Johnson found the owners asking:

"How can we keep these floors looking nice?"

So he began to supply them with a wax. He told them that there were floors in Europe 200 and 300 years old, that had never been treated with anything but wax and that they were still in good condition.

Herbert F. Johnson, Jr., of the third generation, is now president of the company which has developed a worldwide business. The base wax used in most Johnson products comes from the carnauba palm of South America. The wax is scraped from the leaves of the palm by natives.

### Oil Burner Association Grades Every County

Every county in the United States has been graded by the American Oil Burner Association, New York, in an analysis, just issued to its membership, showing the potential markets for domestic oil burners by countries, states and groups of states.

The base index, founded on concentration of market, standard of living and possession of wealth, also takes into consideration number of dwellings, of native white families, telephone families, residential urban and rural electric service users, income tax returns and spendable money. The ratio between county and national indices provides the base index.

of that popular reprint  
from Sales Management

## "Tip-Top Salesmen I Have Met"

Raymond Comyns' entertaining and helpful series of articles which appeared last summer in SALES MANAGEMENT are still available in booklet form for distribution to your sales force at 25 cents a copy, or 20 cents in quantities of 50 or more.

Address, Managing Editor

## SALES MANAGEMENT

420 Lexington Avenue NEW YORK CITY



# Media and Agencies

## Taps for the Tabs?

Bernarr Macfadden henceforth will probably confine his health-and-beauty efforts to his magazines. All but one of his tabloids either have been sold or have retired. The New York *Evening Graphic*, eight-year-old leader of the group, suspended publication July 7, and it is said that efforts of employees to take it over and revive it probably will not succeed. The New Haven *Times*, evening, has been acquired by the *Journal-Courier*, morning, of that city, and suspended. The Philadelphia *News* is being continued. The Detroit *Mirror* was sold by Mr. Macfadden a year ago to the Patterson-McCormick interests (Chicago *Tribune*-New York *Daily News*) as part of the deal in which the Macfadden Publications acquired *Liberty*.

The *Automotive Daily News* and the *Daily Investment News*, published at the *Graphic* plant, are being continued. A couple of years ago it was reported that Mr. Macfadden was planning to launch daily newspapers in the radio and aviation industries, but these did not materialize.

The *Graphic's* contributions to American journalism included the "cosmograph" in which staff members posed for pictures on which were superimposed persons prominent in the news—and Walter Winchell, the original "low-down" columnist. Mr. Winchell started with the *Graphic* at \$100 a week; his recent earnings, from the New York *Daily Mirror* (Hearst morning tabloid), the American Tobacco Company and other sources, are said to have run up to \$125,000 a year.

Macfadden's retirement does not necessarily play taps for the tabloids. The New York *Daily News*, first of the present crop (b. 1919) and the originator of a distinct type of journalism, which made it more than merely a boiled-down big newspaper, has just issued a little book called "Going Up!" giving some rather startling information about newsprint consumption, number of employees, editorial expense (\$1,750,000 a year!) and circulation and lineage growth—which the depression hasn't interfered with at all.

## 60 Pages of Tax Solution

A special section of about 60 pages, listing 6,000 drug store items affected by the new excise tax law—with wholesale and retail prices of each, as suggested by the National Wholesale Druggists' Association—is carried in the current issue of *Drug Topics*.

The association prepared the list to solve the complicated tax situation, and to provide wholesalers and retailers with a fair profit in the process. *Drug Topics* was chosen to present it. And because a lot of manufacturers wanted to give their positions in more detail, the magazine is getting some extra advertising business.

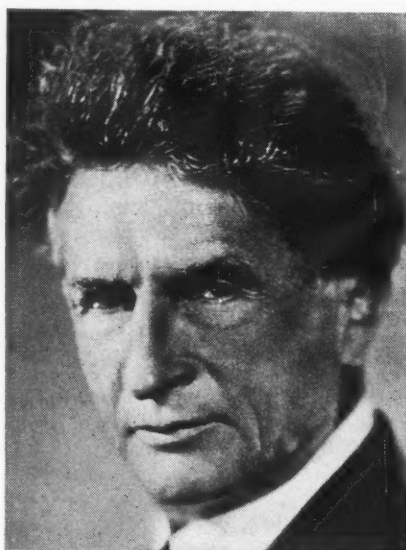
## More Rate Reductions

*Delineator* did reduce its rates and its circulation guarantee after all. . . . And *Pictorial Review* and *Physical Culture* have made their second reductions. *Pictorial's*

reduction averages 19.5 per cent, and the circulation guarantee drops 14.5 per cent to two million. *Physical Culture* drops its page rate from \$875 to \$700; its guarantee is now 250,000. Its average net paid for the first eight months of this year is placed at 326,980.

## Liberty in the Black

For the first five months of the year *Liberty* made a net profit of \$103,222. This reminds us of a day several years ago when a SALES MANAGEMENT representa-



Bernarr Macfadden  
*Graphic* out; *Liberty* up

tive happened to drop in the old *Liberty* office—and it was like the day before Christmas in any agency office. Everyone was happy, and when we asked the reason we were told, "The auditors just finished with the books, and we made two million dollars last year." We were frankly skeptical. "Oh yes we did; you see the year before that we lost four million, and last year we cut it down to two, which is actually making two million, isn't it?" Carroll Rheinstrom tells us that there are no such ifs, ands and buts to the present profit statement.

## Outdoor on the Up

Outdoor Advertising, Incorporated, celebrated its first birthday recently with the announcement of \$18,893,537.27 in national billing. OA, Inc., was formed, with Kerwin H. Fulton, former head of General Outdoor Advertising Company, as president, as national representative of outdoor advertising plant owners throughout the country.

More national outdoor business was placed in April than in any month since September, 1929, said Mr. Fulton—and May's total was larger still. The year's business from national advertisers represents 78 new accounts, 22 reinstated and 207 continuing.

## Cereals and Tires

Not only General Foods but the Gold Dust Corporation is pleased with the work of that young advertising agency of Benton & Bowles. Last January when the two merged their salad dressing divisions (Hellman and Best Foods) B & B, Best Foods agency, was retained. General Foods liked the results so much that B & B, effective July 1, got a lot more of its business (Maxwell House, Post-Toasties, Walter Baker products, etc.)

Now Gold Dust comes along again and presents B & B with the job of advertising the three flour brands of Standard Milling Company, a subsidiary. The brands are Ceresota, Hecker's Superlative and Aristos.

Also pleased, United States Rubber Company has asked Campbell-Ewald Company, Detroit, to handle its entire advertising program—which means campaigns for footwear, clothing, mechanical goods and general products, from golf balls to rubber tile flooring—as well as tires.

## \$54,000,000 Suit

If Henry L. Doherty and Cities Service Company win their various suits against the Kansas City *Star*, totaling \$54,000,000, they will make almost as much as the company (of which he is president) and subsidiaries did in "gross earnings" in their best year of 1930. The other two ifs are, if the *Star* can pay and if Mr. Doherty passes all his takings along to Cities Service.

For some time the *Star* has been making things hot for Cities Service in an effort to force the reduction of gas rates in Kansas and Missouri. To get an opportunity to reply, Mr. Doherty, a year ago, bought an interest in the rival Kansas City *Journal-Post*.

On July 6 Mr. Doherty filed suit at Topeka for \$12,000,000 on alleged libel, and the same day Cities Service filed suit at Independence, Missouri, for \$30,000,000, alleging conspiracy. Other actions are expected to follow.

George B. Longan, president of the Star Company, pointed out that "the *Star* has no doubt there is only one purpose (in these actions), and that is to divert attention from the gas rate controversy which is now pending a decision in Kansas."

## Wire Service

When the Modess division of Johnson & Johnson ran a special newspaper campaign in fifty metropolitan cities they sent telegraphic announcements to 20,000 druggists and with the telegram Postal boys delivered a counter display piece and a well-coached presentation speech.

Two thousand repeal telegrams were carried on Western Union and five thousand on Postal wires to the Democratic Resolutions Committee at its recent pow-wow in Chicago, in response to *Life's* recent newspaper advertisement. The advertisement, written by O. B. Winters, vice-president of Erwin, Wasey & Company, said, "Send this telegram for repeal." The copy was as strong as the need.



(Continued from page 64)

So much for the bulk mailing of advertising matter. In the more conventional mailings of the average business house there would appear, at first glance, to be little opportunity for economy. However, the smaller concerns, particularly, are given to the practice of "guessing" at postage. When in doubt, a hurried clerk sticks on an extra stamp. A considerable sum may be saved by insisting that

**PEORIA**  
**JOURNAL-TRANSCRIPT**  
CHAS. H. EDDY CO.  
NAT'L REPRESENTATIVES  
(Peoria, Ill.)  
CHICAGO  
NEW YORK BOSTON

**% of Normal**  
**U. S. A. Average**  
 (excl. New York  
 City) .... **57.3%**  
**Chicago F. R.**  
**Dist. . . 59.3%**  
**Peoria, the**  
**Bright**  
**Spot**  
**City,**  
**68.6%**

**A Modern 400-Room Hotel**  
**230 E. 51st ST., NEW YORK**  
**In the Grand Central Zone**  
**Tel.: ELdorado 5-0300**

420 Lexington Ave., New York, N. Y.

each individual piece be weighed on accurate postal scales, and the exact postage affixed.

In the mailing of monthly statements to local customers, some of the big public utilities have been experimenting with postal cards, in place of three-cent mailings. "We tried out the idea some months ago, and abandoned it," an executive of a middle-western gas company informed me recently. "We found that customers were inclined to overlook the cards, thinking that they were advertisements. However, this was probably due to the fact that some advertising matter appeared on the address side of the card. Now that three-cent postage is staring us in the face, we are going to give the plan another try. We are confident that our customers can be conditioned to receiving their statements in this manner, and the economy is well worth while."

This is an interesting possibility, but I fear scarcely practicable for the average business house. Since many customers are inclined to regard the statement as a form of dun, they may seriously object to receiving them in the open mail. There are, however, many routine instances where the post-card may be used in place of a letter. In acknowledging orders, giving information concerning shipments, etc., the postal card will prove not only a postage economy but a means of saving clerical labor as well.

Another interesting development is the action of certain utilities and public service companies in delivering statements by messenger, instead of sending them through the mails. For some time the Western Union Telegraph Company has employed its messengers to deliver the monthly telegraph bill in downtown districts. The plan, evidently, has proved economical, even as against two-cent postage. Now that the postage increase is in effect, a number of other companies, who distribute large numbers of statements, are investigating the possibilities. In this connection, however, a word of warning is in order. The Post Office Department points out, in a recent statement, that while a company may use its own employes for this purpose, it cannot employ outside aid for the distribution of statements or other mail matter; nor will two or more companies be permitted to unite in employing an individual, or individuals, for this purpose. In other words, the department makes it plain that Uncle Sam intends to exercise his monopoly on the mail service.

Even the comparatively small mailer may find it more economical to make certain local deliveries by mes-

senger, rather than employ the mails at three cents a throw. I was talking just the other day with the executive manager of a Southern credit association. "Our organization is not set up for profit, of course," he said, "and we operate on a close budget. Our postage expenditures have been running about \$5,000 a year. An arbitrary increase to \$7,500 has me rather badly worried. I have been casting about for some way out of our difficulty. Yesterday I asked our mailing clerk to hold out all letters addressed to firms in the downtown district. There were forty-seven of them. At minimum postage, these would amount to \$1.41; but many contained bulky reports and other data, requiring three or four stamps. On this batch alone I figured the postage, at the new rates, would amount to at least \$2.50. I think our messenger boy, who is not overworked at present, can deliver these letters in addition to his regular duties. At any rate, we are going to

try out the plan and see how it works."

Mailers who use Business Reply envelopes, under Section 384½ P. L. & R., should bear in mind that these C. O. D. forms now require four cents postage instead of three. However, if you have a supply of the three-cent forms on hand, you may continue to use these in your mailings, paying, of course, the four-cent rate upon delivery. The rate on Business Reply cards remains unchanged—two cents upon delivery.

Bear in mind that local and foreign Air Mail rates have also been boosted. The rate is now 8 cents for the first ounce, and 13 cents for each additional ounce or fraction. This increased rate applies also to Air Mail for Mexico, Canada and Newfoundland (including Labrador). Your local postmaster will give you detailed information. Increased rates on second-class matter are of interest primarily to publishers. A revision of parcel post rates is scheduled for next October.

## Listerine Trails and Nabs a Gang of Counterfeiters

(Continued from page 60)

he is able to charge the counterfeiters with the felony of obtaining money under false pretenses when the investigators confiscate the merchandise for which he has paid. Thus, in the recent Coca-Cola case, when the five members of the counterfeiting gang appeared in court to post bail bonds on the manufacturing and selling charge, they were rearrested on a warrant from New Jersey obtained by the retailer on the felony charge. This charge, it must be remembered, carries much severer penalties than a misdemeanor, into which classification product or trade-mark faking usually falls.

In Los Angeles, however, the retailers' contribution to the investigation was negligible. Aside from the natural disinclination of these price cutters to cooperate with any representative of the Lambert Company, they all had been much more interested in obtaining the merchandise than in looking into the legitimacy of the suppliers and, in truth, had little actual information to offer. It became necessary to trace the counterfeiters through the materials, and they had skillfully covered their tracks by using half a dozen names and as many addresses in obtaining the various parts of the package and wrapping. The part most readily obtained, although at first it would appear to be the most difficult, was the bottle itself. The word Listerine is blown in the glass of the genuine

bottle, and it would have been expensive and dangerous to order them from any legitimate factory. However, the bright idea of arranging with refuse disposal companies to collect empties made the problem supremely simple. When Ashton arrived in Los Angeles he found market prices on second-hand Listerine bottles clearly established and quantities ready for delivery on short notice.

The counterfeit imitations of the little corkscrews were made by an unsuspecting manufacturer of metal novelties on the other side of the continent. The order for these accessories is notable for its size. Although no saving was effected by taking so large a quantity, fully ten times as many as were actually needed were ordered.

But apparently the phenomenal optimism shown by this order is not at all unusual among product counterfeiters. When the operations of the Bayer Aspirin counterfeiters were curtailed, fully two million of the little tins had been made and 24,000 gross had actually been filled and were about to be put on sale. Another and perhaps the most striking example of this high confidence is the order for bottles placed by the counterfeiters of Allonal. Everyone who knows how diminutive the Allonal containers are will be surprised to learn that several carloads had been ordered and partially delivered when the plot was discovered.



The detail of the counterfeit Listerine package which was the most difficult to trace was the paper of the wrapper. Despite its unique color, which required a special order to the mill, the trail to the counterfeiters was so devious that extraordinary efforts were expended in finding it. Every paper supply house in Los Angeles was canvassed two or three times. Offices of mill agents, paper bag manufacturers, butcher supply houses, hardware supply houses, Japanese and Chinese paper dealers, carton manufacturers—in fact, every establishment which might handle paper—was called on. But once the paper was found, the printer to whom it had been delivered was immediately revealed.

The printer is, of course, a very important accessory to any product counterfeiting scheme. In a few instances, notably the recent Coca-Cola and Luminal cases, the printing was part of the major operation of the gang itself, and was done right in the counterfeiting plant. More often an outside printer is induced to handle the job. These printers invariably protest, as did the one in the Listerine case, that they were honestly convinced the men from whom they received their orders had proper authority to issue the product. There is usually good reason for assuming, however, that the printer will have more than a suspicion regarding the illegal nature of the project. In fact, sometimes the printer is felt to have so large a part in the scheme that actual surprise raids are made on his plant in order to obtain the printing plates, work in progress and significant records before the counterfeiters can be warned. Of course, once this important evidence has been scared out of sight, it becomes very elusive indeed. When the printer in the Listerine case began to fear implication in the affair, he asked this questionable customer to remove the incriminating plates and type. Thereupon this was done so thoroughly that they were not recovered until they were voluntarily surrendered by those three ill-starred young men.

Occasionally the methods of disposing of such evidence are extremely ingenious. One gang, which made its counterfeit of a popular drug product in a New York loft building, had a large quantity of empty containers ready for filling when warning of an impending raid was received. It would have been as difficult to destroy these containers as to find another place for them and move them there on such short notice. Nevertheless, when the detectives burst in, they found the loft empty except for the commonplace manufacturing machinery which told no tales.

The subsequent investigation showed an enormous quantity of containers unaccounted for, but deep mystery surrounded their whereabouts until, several weeks later, the drug company was notified that an unclaimed shipment of empty containers bearing the name of their product was lying in an express warehouse in a far Western city. Eventually similar notices were received from various other cities until all the containers were recovered.

When the emergency arose the counterfeiters had simply thrown them into shipping cases, addressed them to fictitious names, handed them over to the express company and decamped. The men were all rounded up later, but it is likely that they had hoped to be able to claim those shipments after the chase had died down, and to continue their operations elsewhere.

Because of the danger that a "tip-off," such as complicated this case, will cause important evidence or members of the gang to disappear, the preliminary operations of a well-conducted investigation are kept as secret as possible. Despite the very elaborate precautions which were taken in the Listerine case, at the last moment the leader of the gang—clever or more fortunate than his two assistants—got wind of the accumulation of evidence against him and, eluding the detective who was shadowing him and the police car that was on its way to arrest him, escaped across the border into Mexico. He was captured, however, and convicted.

A premature raid or arrest is the most obvious way to warn the gang to seek cover. That is why the experienced investigator does not attempt any open move of this sort until every possible point of attack is determined. In the big Bayer Aspirin case, Sam Friend, a private investigator who specializes in this type of work, did not reveal his activities until all the suspected points were covered. Then, at exactly the same instant, the raiding parties went into action on two plants in New York and on a distributing broker and three suspected retailers in Philadelphia. To have struck at one of these at a time would have given the others warning and ample opportunity to get away.

In Los Angeles, Ashton was able to get evidence easily enough against the men who had sold the counterfeit Listerine and to include them in the civil suit for damages which he brought in behalf of the Lambert Company. He was, however, much more interested in obtaining convictions on the stronger charge of manufacturing. It is often advisable to risk losing the smaller game in order  
(Continued in col. 2, following page)



## The Wordworker

Just now Business suffers from a plethora of prestidigitators who make much of their ability to lift white rabbits out of black hats.

They talk a mean miracle, these chaps who promise to move Heaven and earth in the interests of whatever you may have to sell. Maybe they can turn the trick. But I just can't work that way. I make no wild promises; perform no miracles. Haven't even a magic wand to wave.

But for 15 years I have been successfully merchandising by mail; developing sound plans to market profitably a variety of merchandise ranging from millinery to motor trucks. Perhaps I could help you. Let's talk it over.

....

Is your collection system tuned to the times? This business depression is forcing a new technique in making collections. Those who do not change their tactics are in for a tough time. May I have a look at your collection letters? I might have some constructive suggestions.

....

Now that political pots are beginning to simmer in this Presidential Year, I think your salesmen might be interested in my little book, "Don't Let the Elephant and Donkey Get Your Goat." We have tried to pack it full of inspiration and information to meet the present-day situation. Price, fifteen cents a copy. Better order for your sales force now, while the topic is timely.

**MAXWELL DROKE**

P. O. Box 611

Indianapolis, Indiana





These most valuable booklets of the month will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

## Market Analysis

**Consumer Location Survey.** Thirty-eight leading jobbers in all lines of business have written *The Farmer* that the majority of their business in the Northwest comes from people living on farms. In other words, that advertising to city folks won't sell goods in a territory preponderantly rural. The letters, reproduced in booklet form, may be a valuable index to that Northwest sales volume.

**Architects Today and Tomorrow.** Depression, with shrinkage of building volume, has wrought great changes in the ranks of architectural firms. According to this study from the F. W. Dodge Corporation, the four years 1928-31, with 64 per cent drop in total building, show 11 per cent fewer architectural firms. But during these years some 2,000 new firms have appeared each year, and a slightly greater number have shut up shop. Food for thought, if your product is selling in this field. Charts, graphs and statistics on modernization, also.

**The Second Largest Polish Market in America.** Meaning Metropolitan New York, as surveyed by the *Nowy Swiat*, leading Polish daily. Illustrated with trade maps of grocery, drug, retail and other food outlets. A clue to some 400,000 Polish consumers.

## Packaging

**Transparent Wrappings as a Sales Aid for Food Products.** With its customary thoroughness the Policyholders Service Bureau of the Metropolitan Life Insurance Company has investigated this timely subject, publishing a 32-page report that is well worth securing. Company experiences in the following fields are cited: baking, manufacturing confectioners, nut growers, importers and packers, fresh vegetable growers and shippers, and chain stores. Both satisfactory and unsatisfactory results are detailed. A bibliography of books, reports and magazine articles is in itself

## Press Clippings

Advertising agencies—manufacturers—and national advertisers use our national clipping service for:

- Sales leads
- Retail dealer advertisements
- Reprints of publicity stories
- Competitors' advertisements.

Burrelle's Press Clipping Bureau  
Incorporated  
401 Broadway, New York City  
Established 1888

valuable for those who are considering this packaging trend for similar fields.

## Merchandising

**The Effect of Display on the Sale of Grocery Products.** A study of considerable worth to manufacturers of well-advertised food products, who are endeavoring to co-operate with dealers for greater sales. *The Progressive Grocer* selected 112 grocers, throughout the country for geographical balance, arranged a two-weeks test of usual display vs. better display—from shelf to table, from rear to front, from top shelf to floor, etc. Subjects—Kellogg's Corn Flakes, Borden's Condensed Milk, Dromedary Dates, Clicquot Club Ginger Ale, Campbell's Soup, Gold Dust, Bon Ami, Knox Gelatine. Detailed results given, as reported by each store. Meat for the field man.

## Listerine Counterfeiting

to get the important members of the gang. When Sam Friend was called in by the makers of Carter's Liver Pills to look into the reported appearance of counterfeits in the neighborhood of Atlantic City, New Jersey, he found little difficulty in locating the man, obviously involved in the plot, who was selling the product to the druggists. Although this man might have been arrested at once on the minor charge of selling, he was permitted to continue his operations until he led the detectives to the other members of the gang and to the plant

where the product was being made. Ultimately, instead of just this one, five men were caught and convicted.

The Listerine package has more than the average number of distinctive parts, but so cleverly had the counterfeiters accomplished the duplication of each of them that although there were a few subtle discrepancies in minor details, the counterfeit would have been readily accepted as genuine by most customers. Almost all the product counterfeits which have appeared recently are distinguished for the fidelity with which they have been prepared. Such amazing ingenuity and patient planning have gone into these various schemes that one is impelled to wonder whether the same brilliant efforts applied to more legitimate ventures would not have produced returns at least as great. The figures compiled by the investigation in the Listerine case are particularly illuminating. Although the amount spent on materials and rent alone is shown to be \$1,090, the value of the goods actually turned out for sale was only \$1,800; not a very large margin for such a hazardous business.

But perhaps we must assume that there are people who will prefer the wide and devious path under any condition—even though it has to be its own reward.

## Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display  
Cash Basis Only. Remittance Must Accompany Order

### ADVERTISING MANAGER WANTED

AN OLD ESTABLISHED CONNECTICUT manufacturer with world-wide distribution and a famous advertised product wants an advertising and sales promotion manager who can and has sold goods successfully on the road, who can get the best from an advertising agency, edit a house organ, correlate the advertising program with all sales department activities, etc. Applicants should present full particulars of their experience. Address Box 344, SALES MANAGEMENT.

### EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-two years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

### SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years

salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

### SALESMEN WANTED

WANTED—BANK SALESMEN FOR THE famous FLAT LAY ROLL RING BINDER, also a full line of Pass Books and Check Covers for banks. The Pass Book and Check Cover Company, 232 Broadway, Denver, Colorado.

### POSITION WANTED

SALES AND ADVERTISING EXECUTIVE available—Age: 33; A.B., M.A. degrees; formerly account executive with one of largest New York advertising agencies, well-rounded knowledge of drug and cosmetic business, including a period of field sales work on nationally advertised products. Can travel if necessary, desires position in sales or advertising department of manufacturer. Please address Box 343, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

EXECUTIVE, AGE 34, DESIRES NEW CONNECTION. Ten years' merchandising experience gained in department store. Five years in charge of sales promotion for advertising agency. Well grounded in fundamentals of Window Display, Store Arrangement, Display, Direct Mail Advertising. Knows Markets and Market Analysis. Address W. M. Rosenfeld, 513 Broadway, Westville, New Jersey.

TORONTO HALIFAX MONTREAL WINNIPEG LONDON, Eng.	<b>"GIBBONS KNOWS CANADA"</b> J. J. GIBBONS Limited, Canadian Advertising Agents	REGINA CALGARY EDMONTON VICTORIA VANCOUVER
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